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Transcript of Public Meeting
on NPUC Blackberry - Nashwauk
Pipeline Route Permit Application

PUC Docket Number PL E280/GP-06-1481

Public Informational Meeting
Minnesota Department of Commerce

held on August 28, 2007

7:00 p.m.

Taconite Community Center

26 Hayes Street

Taconite, Minnesota

REPORTED BY:
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1 PRESENT:

2 On behalf of the Department of Commerce:
3 Bill Storm, Project Manager
4 Energy Facility Permitting
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101-2198

5
6 On Behalf of Short, Elliott, Hendrickson:
7 George E. Johnson
Senior Scientist
3535 Vadnais Center Drive
St. Paul, Minnesota 55110-5196

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10 I N D E X

11 Introduction By Bill Storm 3

12 Presentation by Mr. George Johnson 22

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14 Public Input by:

15 Brian Kral 28

16 Darrell White 31

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1 PROCEEDINGS

2 BILL STORM: Good evening, folks. My name is
3 Bill Storm. I'm a project manager with the Department
4 of Commerce, energy facility permitting. We're here
5 tonight to have a public information meeting on the
6 Nashwauk Public Utility proposal for a pipeline from
7 Blackberry to Nashwauk. As you are probably aware,
8 this amounts to the third public meeting that we're
9 having, and the reason for that, as I'll explain as I
10 go through my slides, is we're shifting the process
11 from the partial exemption to the full process. And
12 again, I'll go through this with my slides. And the
13 reason we're having the meeting is to inform the public
14 of that shift, introduce the new application, and a new
15 comment period and then the new process.

16 Before I start, I just want to go over the
17 agenda a little bit for tonight and some other things.
18 As I said, my name is Bill Storm. I'm from the
19 Department of Commerce. Suzanne Steinhauer is
20 assisting me tonight. We also have Bob Cupit from the
21 Department of Commerce here, and George Johnson from
22 SEH, a consultant for Nashwauk Public Utilities, here
23 also.

24 I'll be giving a short talk tonight on the
25 conversion to the full process, what that means. Then

1 George will be giving a talk on the new application and
2 some of the new information, and then I'll be opening
3 it up for questions at the end.

4 When we're done, I usually break. I have an
5 informal period where people can mill around, look at
6 individual posters, look at the application -- I have
7 copies of the application if you need it -- and we can
8 talk informally. The important part, though, is your
9 comments and your questions.

10 I want to point out something before I begin.
11 If you know that you want to speak tonight on the
12 record, I have put green cards on the table in the
13 front. I ask that you fill out the green card and give
14 them to Suzanne. At the end of the SEH presentation,
15 I'll be calling people from the cards to speak and
16 allow you to speak. Once I go through all the cards,
17 if there's somebody who wants to speak again or
18 somebody who hasn't filled a card and wants to speak,
19 then we'll allow them to speak.

20 I do want to point out that we do have a court
21 reporter here tonight, so it is important that you
22 speak slowly, concisely, and that if you get up to
23 speak, that you state your name and you spell it for
24 the court reporter. And only one person speaks at a
25 time. If more than one person is speaking, the court

1 reporter can't keep up with that.

2 Another thing that's on the front desk is the
3 guidance for pipeline route proposals. This guidance
4 sheet is an aid -- and I'll go over this a little bit
5 in the slides -- on how the general public can submit
6 to the PUC, to the record, alternative routes or
7 alternative route segments that they would like the PUC
8 to consider in the route selection process.

9 Also there is a comment sheet. If you want to
10 make comments about, if you have questions or concerns
11 about the process or this proposal, there's a comment
12 sheet that you can fill out, fold and mail it in to
13 Sharon at our department. I'll go over this again,
14 because there will be a comment period after this
15 meeting, and the comment period will go to October
16 15th, but I'll cover that in the slides. And lastly, a
17 copy of the slides, so you can follow along if you so
18 choose.

19 I'd like to start out a little bit by
20 explaining what we do for the PUC. The Minnesota PUC
21 is the ultimate decision-maker in this process. They
22 will be deciding on a route, which route should be
23 selected, and any conditions that should be assigned to
24 the route permit that is granted.

25 The Department of Commerce serves as staff or

1 consultants to the staff of the PUC. We administer the
2 process under the Rules, and the Rules are 4415,
3 although they were just renamed. Anyway, we serve as
4 staff to the PUC staff. We do a lot of administration
5 functions. We hold the public meetings, we make the
6 notices. If there is an environmental review document,
7 we produce it, that sort of thing.

8 This slide is just to demonstrate how we
9 function relative to the PUC, and then the PUC has
10 decision authority over wind, transmission lines,
11 pipelines and power plants. In this case we're dealing
12 with a pipeline.

13 I want to spend a little time talking about
14 how we get to where we are on this particular docket.
15 On March 6, 2007 the Nashwauk Public Utilities
16 Commission filed an application for a pipeline routing
17 permit and partial exemption from the pipeline route
18 selection procedures.

19 The pipeline is from Nashwauk to Blackberry.
20 It's a natural gas pipeline, and the docket number for
21 this project -- if you send correspondence to me,
22 either e-mail or snail mail, what really helps is if
23 you put the docket number on there, and the docket
24 number is PL E-280/GP-06-1481.

25 On April 3rd, 2007 the Commission, the

1 Minnesota PUC, released an order that accepted the
2 Nashwauk PUC's application under the partial exemption
3 rules as complete. The staff reviewed the application,
4 felt the application met the rule, the Commission
5 accepted it as complete.

6 Two public meetings were held; one here in
7 Taconite on April 18th, 2007, and one on May 18th,
8 2007. The May one was held up in Nashwauk.

9 The meetings were well attended, and the vast
10 majority of comment letters and comments voiced during
11 those meetings showed two things; that the public
12 wanted the applicant to have to go through the full
13 process and that the public wanted the Commission, the
14 Minnesota Public Utilities Commission, to establish a
15 citizen advisory task force.

16 In response to the concerns that the public
17 had, the Nashwauk Public Utility submitted on July 12,
18 2007 a request to the Minnesota Public Utilities
19 Commission, a letter asking that they convert their
20 current docket, the docket with the partial exemption,
21 to a full proceeding docket. With that, they submitted
22 a revised application that meets the rules of the full
23 process, and I will get into what the full process is
24 relative to the partial process in just a second.

25 So Nashwauk basically came back to the table

1 and said, given what we've seen from the public, we
2 think it's a good idea if we regroup and convert this
3 current docket, that is, the partial exemption docket,
4 to the full process.

5 On August 9, 2007 the Commission granted the
6 Nashwauk Public Utilities Commission's request to
7 convert to the full process from the partial exemption
8 process. In that order they did two things. They
9 accepted the revised Nashwauk Public Utilities
10 Commission pipeline route application for the full
11 process, they accepted that, and it's under the same
12 docket number.

13 And additionally, they also authorized the
14 department, Department of Commerce, our staff, to
15 establish a citizens advisory committee. What we did,
16 when we presented the new application to the
17 Commission, we also presented a recommendation that
18 they form a CAC, citizens advisory committee, and we
19 outlined the charge and the structure that that
20 committee should have. With the order of August 9, the
21 PUC accepted the application and accepted the
22 establishment of the CAC, citizen advisory committee.
23 So that's how we got to where we're at.

24 What I want to do is give just a brief
25 overview of the pipeline rules so you can see what's

1 the difference between the partial exemption process,
2 the one that they were going down, and now this new
3 full process.

4 Basically this states that no entity, person
5 or company can construct a pipeline in Minnesota
6 without a permit from the Public Utilities Commission;
7 basically stating the Public Utilities Commission is
8 the one that has the authority for issuing permits for
9 pipelines.

10 A pipeline can only be constructed on the
11 route designated by the PUC. And for our purposes,
12 the definition of pipeline is a pipeline designed to
13 be operated at a pressure of more than 275 pounds per
14 square inch and carry natural gas.

15 There are two procedures that an applicant,
16 Nashwauk Public Utility in this case, can go for when
17 they're seeking a permit to build a pipeline. The
18 first one is a partial exemption, which is the door
19 that the Nashwauk Public Utility Commission came in
20 originally with their application. They came in, they
21 wanted to do the partial exemption. The second
22 process, which is the process we're now converting over
23 to, is the full process. The full process is for
24 larger, controversial projects, and it can take up to
25 nine months to run the process.

1 The primary difference between the full and
2 the partial process are; one, in the full process the
3 applicant has to come in with alternative routes. They
4 have to in their application lay out, not only the
5 route that they prefer, but alternative routes that
6 they've considered and rejected.

7 Also in the full process there's a step where
8 the PUC, the Minnesota Public Utility Commission, must
9 identify which of the routes, the ones the applicant
10 brings in and ones the public may bring in, which
11 routes will be carried forward through the process.

12 Once the Commission determines which routes
13 will be carried through the process, the Commission --
14 and the department staff does this for the Commission
15 -- prepares a comparative environmental analysis. This
16 is in lieu of the EIS or the EA, which would be a full
17 environmental document. This is an analysis that tries
18 to quantify the environmental impacts and the
19 mitigation available to those impacts of the various
20 routes that have been approved by the PUC.

21 Once the comparative analysis is completed,
22 we come back for a second round of meetings to the
23 public, we'll be back up here, and what we'll do is
24 we'll lay out these other three, four, five, whatever
25 it is the PUC decides these are the routes that are

1 going to be continuing through the process, and this
2 is the environmental analysis that we developed so far
3 on them.

4 Once that meeting is over, and there's a
5 comment period to that meeting, we will go into a
6 contested case hearing. A contested case hearing is a
7 formal hearing with an ALJ, Administrative Law Judge,
8 and that is another opportunity for the public to
9 speak on the routes being carried forward, the
10 environmental analysis that's been done under those
11 routes, and to enter information, testimony into the
12 record.

13 Once the contested case hearing is done,
14 there's a comment period. The Judge wraps that up,
15 and then, and only then, the case comes back to the
16 PUC for a final decision, and that decision will be on
17 which route the PUC is going to write the permit for
18 and what conditions might be in that permit.

19 This is an overview of that process. So you
20 can see how the process flows through. We are right
21 now at the public meeting. There will be a comment
22 period. There's a 70-day comment period for the
23 public to bring forth alternative routes or
24 alternative route segments that you would like the
25 Commission to consider carrying forward.

1 So if you look at the application and you
2 look at the proposed routes, there are now five
3 proposed routes. There's the preferred route and four
4 alternative routes. They're outlined in the new
5 application. If you want a copy of that, I can give
6 you a copy of it, and at the end I'll tell you where
7 you can get it online. If you would like to suggest
8 an alternative route or would like to modify one of
9 those routes, a segment of one of those routes, you
10 have until October 15th to submit that information to
11 us, and I'll give you that address as we go forward
12 here.

13 Only -- and this is important -- only routes
14 which have been accepted by the Commission will be
15 considered during the hearing. So the 70-day period
16 is an opportunity for the public to bring forth
17 alternative routes or alternative route segments.
18 Once that 70 days is over and I go back to the
19 Minnesota Public Utilities Commission with my briefing
20 papers that outline, here are the five, six, seven
21 routes, make a selection of which ones you would like
22 to see carried forward; once they make that
23 determination, they pick four of them, they pick three
24 of them, whatever they decide to do, that's it, only
25 those routes continue forward into the process. And

1 the Minnesota PUC will accept the routes from the
2 public within the 70-day comment period.

3 Now, if you wish to propose a route or a
4 route segment alternative, the Rules specify how you
5 have to do that. And this is basically just a
6 statement of how you have to do that. The proposed
7 route or route segments must be set out specifically
8 on appropriate maps or aerial photographs. The route
9 segments must contain data and analysis of the
10 environmental impacts and human health impacts, and
11 lastly, they must be submitted by October 15th.

12 Now, that sounds like a huge burden, but if
13 your concern is a route segment -- let's say we have a
14 23-mile pipeline, and the pipeline impacts you or
15 impacts an interest of yours at Mile Marker 5 to 8,
16 and you would like to -- you look at some maps and you
17 know the area, and you say, well, you know, there's an
18 abandoned railroad line that runs just to my east or
19 there's a transmission line that runs just to my west,
20 I'd like you to consider coming down that, and it's
21 relatively close to the preferred route or one of the
22 route alternatives. The burden in B isn't so great.
23 You basically just need to provide a map. That can be
24 the map from the application, and you can draw in what
25 change you'd like to see considered.

1 The reason you can do that is because if
2 you're that close to one of the alternative routes or
3 the preferred route, we feel the environment is going
4 to be pretty much the same, and that information will
5 be contained in the record or very easy to get.

6 But the important part here to remember is if
7 you would like to make a modification of one of the
8 routes or a segment of one of the routes, or you'd
9 like to propose a new route for consideration, you
10 must get that information into our offices by October
11 15th.

12 And that information comes in to Sharon
13 Ferguson. She's sort of the central record-keeper
14 where the information is coming in. You must identify
15 the docket number on your submittal. So if you write
16 me a letter, in the heading of the letter or something
17 just write, you know, this is for docket, and write the
18 docket number down, and submit your information to
19 Sharon.

20 Another issue that was important when the
21 Nashwauk Public Utility Commission first came in with
22 the partial exemption was, not only that the public
23 wanted to see more alternative routes considered, they
24 also wanted a citizen advisory task force established.
25 As I pointed out in the PUC order, they did authorize

1 the Department of Commerce to establish that citizen
2 task force, and we did that.

3 In fact, the citizen advisory committee had
4 their first meeting this afternoon from 2:00 to 5:00.
5 The meetings are public, and they'll be announced
6 again as we move forward. They'll be posted on our
7 website and mailed out if you're on our -- if you
8 signed the sign-in sheet and checked the box for the
9 mailing list, you will get a notice that the citizen
10 advisory committee is meeting. It's open to the
11 public. The public can sit and watch and observe and
12 see the process going. But the table is only open to
13 the formal members of the committee.

14 The task force was given two charges, two
15 jobs to do. The first job is to evaluate routes,
16 evaluate the five routes on the application, evaluate
17 whether a new route should be added and/or whether one
18 of the existing proposed routes, whether it be the
19 preferred route or one of the four alternative routes,
20 whether there should be changes to them.

21 So that's the first task that the task force
22 has, is to come back to the Commission with a report
23 that says, in addition to these five routes that are
24 in the application, we'd like you to look at the sixth
25 route; and/or in addition to these five routes that

1 you have in the application, on Route Number 1, Mile
2 Marker 10 to 12, we'd like to see this kind of
3 modification; on Route Number 3, Mile Marker 13 to 18,
4 we'd like this kind of modification.

5 So Task 1 is to bring these alternatives
6 before the Commission, the PUC, the Minnesota Public
7 Utilities Commission, for consideration on carrying
8 them forward into the case hearing and through the
9 process.

10 The second thing they tasked the CAC with,
11 the citizen advisory committee with, was -- if you
12 remember, I mentioned the routes that get approved by
13 the PUC for further consideration are run through an
14 environmental comparative analysis, a matrix that sort
15 of compares the environmental factors; how close to a
16 house, how many wetlands is it crossing, how much ag
17 land crossing, how much farm land, how much forest
18 land crossing, those types of things. The routes that
19 get approved by the PUC go through that analysis and
20 then continue on to the hearing and then on to the
21 final process.

22 The second thing I tasked the CAC with was
23 give me some input on what you'd like to see in that
24 matrix besides wetlands, wildlife areas, the proximity
25 to homes, that type of stuff. So those are two things

1 that they're working on.

2 When I talk about this comparative
3 environmental analysis, the Rules specify criteria that
4 instruct the PUC, the Minnesota PUC, on how they should
5 evaluate the various routes that come to them for
6 consideration. These are broad categories, and what
7 we're asking the task force to do and also soliciting
8 from the public to do, are there other issues that
9 either don't fall into these broad categories, or if
10 you'd like to see -- even if you think, well, proximity
11 to homes, I think that falls under the human
12 settlement, but I want to make sure that Bill's aware
13 of that -- I think that's under human settlement -- so
14 write me a comment and say, I want to make sure human
15 settlement includes how close this pipeline is to the
16 home.

17 The criteria just lists these items out; the
18 natural environment; lands of historical,
19 archaeological and cultural significance; economies,
20 that would be impacts to agricultural land, impacts to
21 timber, impacts to mining, those types of things.

22 Cost is a factor that the PUC will be
23 considering, how much does the pipeline cost for the
24 various route alternatives.

25 F is use of existing right-of-ways or sharing

1 right-of-ways. This factor basically points to, is
2 the proposed route or routes -- how many miles are
3 they sharing corridors with. Natural resources and
4 features, lakes, wetlands, that type of thing.

5 The extent to which human health or
6 environmental factors are subject to mitigation. This
7 criteria comes into play in that some of the impacts
8 that a pipeline may have can be mitigated to a certain
9 extent. An example would be going across agricultural
10 land. The impact that you will have to that land
11 could be mitigated by construction practices, how you
12 dig the trenches, how you segregate the topsoil from
13 the subsoil and how you place it back in. That's a
14 mitigating measure that can be a condition of the
15 permit. So that's something that the PUC will
16 consider.

17 Cumulative potential impacts on related or
18 anticipated future pipeline constructions. And the
19 last one is how the proposed routes play into existing
20 zoning, federal, state and local unit government
21 zoning desires and setbacks, that type of thing.

22 There are other agencies involved in this type
23 of project that have downstream permitting authority.
24 What I mean by that is the PUC eventually will select a
25 route, will issue a permit for that route, and will put

1 conditions on that permit. Once the applicant has that
2 permit in hand, they may need to cross a highway or
3 they may need to cross a wetland, and these activities
4 will impact other agencies, MN DOT and the DNR, for
5 example, and they will have to get permits from those
6 agencies also.

7 This slide shows that in my process we try to
8 pull these other agencies in to make sure that the
9 routes we're looking at don't have any fatal flaws or
10 red flags, so that the agencies with downstream
11 permitting authority have some notice of what's going
12 on and can see problems that may arise in their
13 particular area. These are just some of the groups
14 that interact with us.

15 This slide probably looks terrible. This is
16 just an example of the type of downstream permits that
17 are possible, and you're going to be able to see it on
18 your hard copy much better than you're going to be
19 able see it on the screen.

20 If you're interested in this project, you can
21 always contact me; my business card is on the table,
22 Suzanne's business card is also on the table. If you
23 signed in and you checked the box that you want to be
24 on the mailing list, you will get notices. An example
25 is you'll get notice of the CAC meetings, you'll get

1 notice of the PUC meetings, you'll get notice of the
2 next public meeting, and you'll get notice of the
3 public hearing. You'll get notice of these things.

4 But if you want to track what kind of
5 comments are coming in from the public, what kind of
6 comments are coming in from the other agencies, we do
7 have two websites that track this data. The data is
8 in PDF form so you can just click on it and open it,
9 and you can print it out or download it.

10 The first site is a site that my staff, our
11 staff over at the Department of Commerce, maintains
12 for the PUC. It's a less formal site, maybe -- I like
13 to think it's a little more interactive, more user
14 friendly to just the average person trying to track a
15 project. And in that, if you can go to this website
16 here, you will see a table with all the documents that
17 I've received. The application is on there, comment
18 letters that I received are on there, notices,
19 announcements are on there, so it's a good way to keep
20 track of the project.

21 The other website is the formal record
22 website called eDockets, and this website is
23 maintained by the PUC. If you go to this website here
24 and you plug in the year and the number, 07, and then
25 the number is 1481 for this particular docket, you can

1 track the formal submittals that come in. I cover
2 them also in our website, but it's just another spot
3 that you can track that sort of stuff.

4 That's going to wrap up what I have to say.
5 What I want to do is I want to turn it over to George
6 Johnson of SEH, who is going to give you a little
7 overview on the new application and where they're at.
8 I prefer if you hold your comments until the end.
9 Once George is done speaking, he will turn the mike
10 back over to me, and me and Suzanne will facilitate
11 your comments via the green cards. Once we run
12 through the green cards, we'll go by show of hands.

13 I ask that for the first round -- we're not
14 really swamped here tonight -- but that you limit your
15 talk to maybe five minutes to give everybody time to
16 talk. We can come back to you at the end if we need
17 to. As I said, I am going to go with the
18 pre-registered people first, the ones who filled out
19 the green card. I do want to remind you that there
20 are comment sheets on the front, so you just fill it
21 out, staple it, put a stamp on it and send it in to
22 Sharon.

23 Again, I remind you that October 15th is the
24 end of this comment period for routes to be considered.
25 There will be, as I said, there will be another public

1 meeting and a public hearing, and those will have
2 comment opportunities also. But if you want to have
3 input on modifying one of the proposed routes or
4 propose a new route, you have to do it by this date
5 here.

6 The only other thing I ask is that if you get
7 to speak, please say your name, spell it so the court
8 reporter can get it down properly, and sort of be
9 respectful of everybody's time and person. Again,
10 comments in by October 15th, and they go in to Sharon
11 Ferguson.

12 Okay. At this point we'll turn it over to
13 George, and George can give you information.

14 GEORGE JOHNSON: Thank you very much, Bill.
15 I appreciate that introduction, very good discussion
16 of the process and some of the history.

17 As Mr. Storm said, my name is George Johnson.
18 I'm a scientist with Short Elliott Hendrickson,
19 engineers, also known as SEH. SEH is the largest
20 engineering firm in Minnesota. We do a great deal of
21 work on infrastructure for communities, especially
22 communities in northeast Minnesota, but all over the
23 state.

24 We work on roads, bridges, highways, tunnels,
25 railroads, airports, water lines, sewer lines,

1 wastewater treatment plants, all those things that go
2 under the heading of infrastructure. Infrastructure
3 are the systems that knit together our cities and
4 towns, our counties, our people. They are the
5 conduits that allow us to do what we do as a community,
6 what we do as people, our business, our transport, et
7 cetera.

8 I'm going to go back a little bit further in
9 history than Bill did because this project started
10 long before I got involved with it. Short Elliott
11 Hendrickson had been working with Itasca County for
12 some time to look at ways to develop or promote
13 economic development in southeast Itasca County,
14 especially in association with the Iron Range.

15 And back in 1999 there was a plan put
16 together to provide state money as a seed to develop
17 infrastructure in Itasca County. That Itasca County
18 infrastructure project looked at a number of things;
19 again, roads, railroads, water needs, power needs,
20 transmission lines, gas pipelines, railroads, et
21 cetera. Most of these were designed to facilitate the
22 development of MSI or the Minnesota Steel plant. And
23 in fact, when I came on the project, a great deal of
24 work had already been done looking at infrastructure
25 for Minnesota Steel.

1 The part that I got involved with was the gas
2 pipeline. I was working with the project engineer,
3 Clarence Kadrmas, who is here tonight. Last name is
4 spelled K-a-d-r-m-a-s. What a lot of people don't
5 realize is how much work, how much invisible work goes
6 in before an application is submitted, before a form
7 is filled out. There is a lot of work back in the
8 office, work in the field, work preparing reports,
9 drafting, redrafting, making drawings, making maps,
10 doing preliminary designs. A great deal of work was
11 done to get us to this partial permit application
12 which was submitted back in March 2007. That was
13 accepted by the Department of Commerce and the Public
14 Utilities Commission as being suitable.

15 In the prior history of pipeline permitting,
16 the partial permit process had been used for virtually
17 all pipelines and was seen as an expedited process.
18 Again, as Mr. Storm mentioned, we went through the
19 process, had the application accepted, and then had
20 public meetings up here in April and in Nashwauk in
21 May, and we discovered that there was some substantial
22 public concern about certain aspects of the project.

23 During the time that the Itasca County
24 infrastructure work was done and people were looking
25 at economic development and Minnesota Steel or MSI, the

1 gas pipeline in its present form, in the preferred
2 form, was on the table. There were a number of
3 meetings in the county. This was brought out as part
4 of the infrastructure. And at that time we really did
5 not receive any negative comments. Perhaps people
6 weren't thinking that far ahead or weren't thinking
7 about the specifics, but we had no indication that
8 there was any concern about the gas pipeline which was
9 designed to feed the gas needs of Minnesota Steel.

10 And let me be extremely clear. The gas
11 pipeline as it's currently sized is designed to meet
12 the projected long-term natural gas needs of Minnesota
13 Steel. That is what it's designed for. That is its
14 primary purpose.

15 In any case, as we found out from the public
16 meetings, the preferred pipeline route had some
17 problems, had some concerns, so we went back to the
18 drawing board. We went from this skinny application
19 to this thick application, which weighs about six
20 times as much, has many more maps, much more
21 explanation, et cetera. And in addition, we looked at
22 a total of five alternative routes that we thought
23 were primary routes that could be considered.

24 Now, three of those routes were laid out in
25 the Itasca County infrastructure project, and on the

1 map in the back and maps that are in the middle of the
2 application, you can see these. These are the red,
3 yellow and orange routes. And of those routes, the
4 one that clearly made the most economic and
5 engineering sense was selected as our preferred
6 alternative.

7 However, in going to the public meetings, we
8 heard there were additional concerns, additional
9 routes; and as Mr. Storm has said, the PUC responded.
10 They wanted us to take a look at those and go into
11 more detail, collect environmental information,
12 collect economic information, and we have a great deal
13 of that data already in the full permit application.

14 Again, as Mr. Storm advised you, this is the
15 start of the process. This is the first public
16 meeting for the new permit. There will be a lot of
17 opportunity for people to comment and look at what
18 we've done and make suggestions, make criticisms. As
19 you were told, you can develop alternative routes or
20 alternative route segments, and it will go to a
21 contested case hearing. So the process is going to
22 allow more opportunity for public input to respond to
23 the needs of citizens here in Itasca County.

24 However, the Public Utilities Commission will
25 take all the information after the contested case

1 hearing, after the permit application, after
2 additional information, after public comments and
3 questions, and they will make a decision on whether or
4 not to grant a route permit and exactly where that
5 route is going to be.

6 The PUC can be extremely specific in where
7 they tell us to put a pipeline and how to build it,
8 and additional conditions of operation. They have the
9 power to impose whatever route they feel is the most
10 suitable. They look at the factors, the criteria that
11 Mr. Storm mentioned. And we have designed this
12 pipeline, and we have prepared the application
13 considering those criteria. And we feel when all is
14 said and done, that we have presented a number of
15 suitable alternatives, but the process will take a
16 little bit longer to do that.

17 Now, I know in the past -- and I'm going to
18 just close and get to your questions because they're
19 actually the most important part of this. I know
20 there's been some concerns about pipeline safety. I
21 want to let you know that built into the application
22 are a number of criteria to ensure pipeline safety,
23 monitoring devices, material standards, all of that is
24 controlled by the office of pipeline safety and
25 certification agencies that set material standards.

1 So many of those things are built in.

2 I know there's been concerns about
3 environmental impacts; wetlands and other species. We
4 have looked at that. We have sent people out to do
5 preliminary field evaluation, and we'll do detailed
6 field evaluation; mapping areas, determining where the
7 sensitive wetlands are, where sensitive species,
8 threatened and endangered species, archeological,
9 cultural and historical areas are. All of that
10 information will be determined and will be part of the
11 formal record.

12 Now, as time goes on, you may develop specific
13 technical questions, and Mr. Storm will relate those
14 back to us, and we will answer them the best we can.
15 But for right now I want you to know that we prepared a
16 much more formal, much more detailed application. I
17 think you'll find the answer to any questions that have
18 been raised in the past are contained within that.

19 With that, I'd like to hand it back to Mr.
20 Storm, who will conduct the rest of the meeting. Thank
21 you for your attention.

22 BILL STORM: Thank you, George.

23 Okay. I'm going to call on people to speak
24 into the record. Brian Kral.

25 BRIAN KRAL: Brian Kral. Last name is

1 spelled K-r-a-l. One of the questions I have is how
2 close to a dwelling can the center of the pipeline be?

3 BILL STORM: George? The question was how
4 close to a dwelling can the center of a pipeline or the
5 pipeline be?

6 GEORGE JOHNSON: In urban areas and densely
7 populated areas, those pipelines are within 50 feet of
8 some homes. I believe that is the minimum distance
9 I've seen. Some counties have additional restrictions.
10 I'm not aware that Itasca has anything beyond that. So
11 50 feet is the absolute minimum as far as I'm concerned
12 and as far as I'm aware.

13 BRIAN KRAL: Now, let's say that pipeline
14 develops an environmental problem, say a sinkhole,
15 groundwater develops that wasn't there before. Who is
16 responsible for rectifying that problem for the
17 landowner, and how is it done?

18 BILL STORM: If a problem develops with a
19 pipeline in the installation of the pipeline, the
20 subsurface soil, the fill that they bring in, the
21 backfill for the pipeline, the pipeline permit will
22 specify that the responsibility to make good on that
23 pipeline and the proper impact would fall to the
24 Nashwauk Public Utilities.

25 BRIAN KRAL: And that would take place -- say,

1 five years later a sinkhole develops?

2 BILL STORM: During the lifetime of the
3 permit, if there's a problem that develops like you're
4 talking, an engineering problem that develops with the
5 pipeline, Nashwauk Public Utility, via the permit
6 that's issued to them, would be responsible for
7 repairing any damages and restoring any property.

8 BRIAL KRAL: One last question, say the
9 pipeline goes through a piece of property that affects
10 me or a landowner, can it be gated off, roped off at
11 the entrance and exit points?

12 BILL STORM: Sure. I don't see why there
13 would be a problem with that. As long as the Nashwauk
14 PUC and the operators of the pipeline were granted
15 access to the right-of-way, I don't see that there
16 would be a problem with that.

17 BRIAN KRAL: That's all I have.

18 BILL STORM: Brian, if you would like to see
19 that as permit language, send me a letter, to Sharon,
20 and it will get to me, reiterating exactly what you
21 said, that if the pipeline does cross my property, I
22 would like a permit condition to be that it is gated
23 off.

24 BRIAN KRAL: So that isn't the standard?

25 BILL STORM: I don't believe it's a standard.

1 I believe you have to -- the landowner -- and you might
2 be able to negotiate that with the pipeline company as
3 the land agent is talking to you about the easement
4 they are going to acquire. But if you have a specific
5 concern, please write me a comment. That's something
6 that could be a permit condition.

7 BRIAN KRAL: So that can't be done -- let's
8 say it's put in, and six months later there's too much
9 traffic going through that's not related to the
10 pipeline, four-wheelers going through, and then I
11 decide I want to put a gate up, is that too late?

12 BILL STORM: I don't think that would be too
13 late. Again, that's something that you should
14 negotiate with the land agent for the pipeline company
15 that comes to negotiate an easement with you. That's
16 something that should be fairly negotiable.

17 Again, if it's a concern, write to me and tell
18 me that you have this concern, and we can look at some
19 kind of language to stick in the permit that would
20 cover that.

21 BRIAN KRAL: Okay, thank you.

22 BILL STORM: Darrell White. State your name.

23 DARRELL WHITE: My name is Darrell,
24 D-a-r-r-e-l-l, White, just like the color.

25 Okay. Per this gentleman's question over

1 here, they're planning on putting in a 24-inch pipe.
2 Its blast area is 500 feet. They're going to create
3 500 feet. I took a safety class in Grand Rapids about
4 it.

5 BRIAN KRAL: 500 feet from what?

6 DARRELL WHITE: The pipe, if it blows, it'll
7 be a 500 foot hole.

8 I had a whole bunch. I lost my train of
9 thought. Why are you running the pipeline through
10 Taconite?

11 BILL STORM: Somebody from SEH want to address
12 that? Are you're talking about the preferred route?

13 DARRELL WHITE: Mm-hmm (indicating yes).

14 GEORGE JOHNSON: The pipeline is being run
15 through Taconite because that was seen as the most
16 cost-effective solution from the options that were
17 evaluated. And I think at least three of the options
18 in the Itasca County infrastructure plan involve going
19 through or very close to Taconite.

20 DARRELL WHITE: Is the plan to sell natural
21 gas to Taconite?

22 GEORGE JOHNSON: I am not aware of any plans
23 to sell natural gas to Taconite. I have been
24 instructed that it is intended to sell it to Minnesota
25 Steel.

1 DARRELL WHITE: Then there's no reason to run
2 it this way. I gave you a route going up 65 to 60 and
3 coming up into Nashwauk, while your route has changed.
4 You've got it running over to Pengilly. And the route
5 I suggested does not run to Pengilly. It runs along
6 the snowmobile route.

7 And I asked about the abandoned pipeline on
8 the south side of 169, just on the other side of
9 Nashwauk, and no one has ever answered that question.
10 Where is it going and where did it come from, and how
11 can we get information on that? Since everything is
12 closed since 9/11 it's hard to get information on
13 pipelines.

14 GEORGE JOHNSON: In response to the first
15 question, when we took the information that you

16 provided at the public meeting in May 2007 and looked
17 at feasible alternatives, we developed what we call
18 the citizens routes, which we think largely reflect
19 what you had asked. However, again, the citizen
20 advisory committee may wish to modify that in
21 connection with your considerations.

22 As I recall, there were some additional
23 design details that mitigated against the routes that
24 you suggested. I think it had something to do with
25 the mining, but I'm not exactly sure, Mr. White. But

1 we certainly can have the CAC look at your route in
2 more detail and see if it is feasible.

3 With regard to the second question about
4 abandoned pipelines, we have drawn on all the
5 information databases we have available to us. We are
6 not able to find the information on the abandoned
7 pipeline that you allege is there. I do not know how
8 we can get that information for you. Perhaps Mr.
9 Kadrmas has some additional access, but we've not been
10 able to find this line that you refer to.

11 DARRELL WHITE: I'll meet you at the Dairy
12 Queen at Nashwauk tomorrow at 11 o'clock and I'll show
13 it to you. Deal?

14 GEORGE JOHNSON: I'll have to consult with my
15 superior, sir.

16 BILL STORM: Darrell, if you would like -- if
17 you look at the application -- I'll make sure you get
18 a copy of it if I'm not here. If you look at the two
19 alternatives that SEH and Nashwauk Public Utility has
20 developed in response to where we got to before -- I
21 wasn't part of that process, so I can only speak from
22 here forward. But if you take out of that application
23 that D-19, and you draw in your modifications to the
24 route that you would like to see, and you get them to
25 me by the comment period date of October 15th, I will

1 ask SEH and Nashwauk Public Utility to specifically
2 address that alternative and carry it as we move
3 through the process, depending on what their response
4 is, if there's an engineering or technical reason that
5 fatally flaws it; if there's not, I don't see any
6 reason why you can't lay that out for the PUC to look
7 at in their evaluation of which routes go forward.

8 So what I'm saying is, if you're looking at
9 the citizen routes, one of the routes that they
10 proposed in the new application, and you have certain
11 mile marker areas where you want them to change it,
12 submit that information to me on the map from the
13 application, and I'll address your concern.

14 DARRELL WHITE: Okay.

15 BILL STORM: Now, we only had two cards filled
16 out. I'll go by hands. If anybody's wants to speak,
17 please raise your hand, and I'll call on you
18 individually, and Suzanne will approach you with the
19 mike. Okay.

20 DARRELL WHITE: How many people are on your
21 citizen advisory group that are landowners where the
22 pipeline is going through?

23 BILL STORM: I don't know the answer to that.
24 I don't know if any of them are.

25 DARRELL WHITE: Why not? They're all

1 government employees, aren't they?

2 BILL STORM: They're all representatives of
3 communities, yes, they are.

4 DARRELL WHITE: Then why is it called a
5 citizen advisory group?

6 BILL STORM: They are citizens, they do
7 represent the citizen population. The way I interpret
8 the rule -- and you're more than welcome to challenge
9 me on this if you want -- the way I interpret the
10 rule, there are two tracks for alternative routes to
11 be evaluated. One track is through the citizen
12 advisory committee, and the other track is what we're
13 doing here. And you have equal access to the process
14 as the general public and the same access the CAC has.

15 DARRELL WHITE: Don't you think part of our
16 problem is some of our elected officials?

17 BILL STORM: I don't know what problem you're
18 referring to.

19 DARRELL WHITE: Pushing this through.

20 JIM LAWSON: I'm Jim Lawson, L-a-w-s-o-n. I
21 can speak for Taconite. The guy on the task force is a
22 citizen, he's not on our board at all.

23 DARRELL WHITE: He's not on your board?

24 JIM LAWSON: No.

25 DARRELL WHITE: Then how come other citizens

1 haven't gotten on it? That's one I've heard out of
2 what, 18?

3 BILL STORM: I'm going to have to get back to
4 you on that. I was under the assumption he was
5 appointed by the city.

6 JIM LAWSON: He's appointed by them, but he's
7 not on the council, which is what he's trying to
8 insinuate.

9 BILL STORM: Anybody else? Going once, twice.
10 (No response)

11 Okay. I do appreciate you coming out. As I
12 said, my business card is on the table. Contact me
13 anytime you want. There's a comment sheet there. If
14 you have comments or questions, fill it out and send it
15 in to Sharon. And please, if you need a copy of the
16 application, come up to see me, I'll give you one. If
17 you want to recommend a modification to a route,
18 segment or propose a route, please get it in to me
19 before October 15th. And if you need help putting that
20 together, give me a call, and I'll walk you through it.
21 Thank you.

22 (Meeting concluded at 8:05 p.m.)

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REPORTER'S CERTIFICATE

I, Kathleen M. Undeland, do hereby certify
that the foregoing pages of typewritten matter to be a
true and correct transcript of my stenotype notes taken
on the date indicated.
