

# Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-40



March 26, 2010

Bill Storm, Project Manager  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place, Suite 500  
St. Paul, MN 55101-2198

Re: Draft Environmental Impact Statement Comments for the Essar Steel Transmission Line Project [PUC Docket #: E280/TL-09-512]

Dear Mr. Storm:

The Minnesota Department of Natural Resources (DNR) appreciates the opportunity to provide comments regarding the Draft Environmental Impact Statement (DEIS) for the Essar Steel Transmission Line Project. The August 14, 2009 DNR comments submitted for EIS scoping are attached. The following comments discuss some items included in these earlier comments that could be more specifically addressed.

In general, the DEIS indicates the applicant will work with landowners in the permitting process to identify natural resource concerns and make appropriate adjustments to the HVTL alignment to minimize impacts. It would be beneficial to discuss in detail with the DNR some of these options prior to permitting. The following are some questions and natural resource comments or concerns for which the DNR would like to have further detail and discussion.

## **Mineral Resources**

The proposed Routes 3 and 3A cross the Biwabik Iron Formation (the Mesabi Range) and impact a potential taconite/iron ore resource. Some potential taconite/iron ore resources are State Trust minerals for which the DNR has fiduciary responsibility to manage. Proposed Route 3 has the greatest impact on State Trust minerals. The corridor being contemplated by Minnesota Power covers an area on the Mesabi Iron Formation of approximately 1.5 square miles. Although the footprint of the power line itself will not require the entire proposed surface corridor area, it will require a surface area buffer. The underlying mineral resources (i.e. taconite) are encumbered by both the surface area impacted by the overhead power lines and infrastructure, as well as the necessary setback buffer areas. Setback buffer areas are necessary to protect the power line infrastructure from blast fly rock and mining equipment.

The Route 3 transmission line (230 kV) is proposed to cross the iron formation along a NW-SE direction (in Sections 30 and 31-T57N-R22W). This formation connects two high points between two water filled former iron ore mine pits (Halobe & Hawkins). The DNR has the fiduciary responsibility of managing taconite and iron ore resources in the proposed route 3 area immediately west of Nashwauk, in the S1/2-SE1/4 Section 30 T57N-R22W, SW-SW, NE1/4 and E1/2-SE1/4 Section 31-T57N-R22W, and W1/4 Section 32 T57N-R22W. These lands contain state-owned Tax Forfeit Trust taconite and iron ore resources, and will be directly encumbered or indirectly cut off from future mining as a result of this proposed routing.

While at this time, it is uncertain as to the amount and quality of taconite and iron ore affected in the proposed Route 3 corridor, similar comparisons to like areas being mined yield 10 to 20 million tons of



taconite and iron ore per forty acre parcel. This Route 3 corridor could affect thirteen 40 acres parcels which could contain over 100 million tons of taconite and iron ore resources. Eighty percent (80%) of mineral royalties generated from mining these taconite resources would be distributed locally to Itasca County (3/9ths), local school district (4/9ths) and the local community (2/9ths). One forty of taconite in this area could contain \$5 to \$15 million in royalty revenue at current taconite royalty rates.

In the event that the proposed Route 3 line is approved, then the power line should cross the Hawkins pit as close to Nashwauk as possible to better prevent encumbrance of this valuable taconite resource. The State has a fiduciary responsibility to seek compensation for encumbrance of its mineral resources.

Route 3A would not impact taconite resources as much as Route 3, because taconite in the route 3A area is not amenable using current mineral processing techniques.

### **ROW Overlap**

The document also indicates on page 3-4 that where the proposed HVTL follows an existing Minnesota Power HVTL, there would be a Right of Way (ROW) overlap of approximately 15 feet. Please clarify if new clearing along these routes would be 115 feet instead of 130. Please also clarify the distance between the new transmission lines and the existing lines on the ROW.

### **Deer Wintering Areas**

Though Route 2 primarily utilizes an existing corridor, the new shorter north/south connection corridor west of Riley Lake (31-219) would cross through an important deer wintering area possibly removing or fragmenting conifer stands that are used by deer for winter cover. Bisecting previously un-fragmented deer wintering areas results in permanent habitat change. The DNR recommends avoiding this area.

There are also places along the existing Route 2 and proposed Route 2A that pass through deer wintering areas. Minimizing impacts in these areas should be discussed. For example, if Route 2A were chosen, traversing the northerly portion around unnamed lake (31-0125) to avoid the basin would reduce impact to this small lake as well as adjacent deer wintering habitat.

### **Lakes and Streams**

As noted in the August 14, 2009 DNR letter, lake crossings should be avoided and stream crossings should be perpendicular to flow and along a straight run. The DNR agrees with the advisory task force (ATF) recommendation on page 6-82 in regard to lake number 31-0089 to shift route alignment to the east to avoid the lake. Also, Route 2 passes over O'Reilly Lake and Little O'Reilly Lake in T 56N R24W. There is currently a 115 KV corridor between these two lakes. It is unclear if there will be any modification to the existing corridor in this location. Bird diverters may be necessary here and in additional areas along the route to help reduce mortality to waterfowl, herons and other birds.

As stated above in the Deer Wintering section, there is potential to traverse the northerly portion around the unnamed lake (31-0125) to avoid the basin and minimize impact to the deer wintering area.

### **Forest and Wetland Habitat Fragmentation**

Several areas of the routes have significant natural resources such as lakes, rivers, extensive wetlands etc. in new greenfield areas. In general, they should be avoided or follow existing infrastructure such as roads or pipelines. Fragmentation of natural or near natural habitat in new greenfield routes could include direct impacts, or vegetation and habitat changes from clearing or the introduction of invasive species. The EIS should discuss invasive species that could be introduced into natural or near natural habitats. It would also be helpful if the EIS quantified habitat fragmentation for each of the alternatives

with a before and an after fragmentation measure.

### **Bird Collision and or Electrocution with Power Lines and Reporting**

Route 3 could possibly pose an electrocution or collision threat to bald eagles and their progeny from nests on the south shore of Swan Lake in T 55N R22W and T55 R23W and at the Lower and Upper Panasa Lakes in T 56N R23W. There is also a northern goshawk nest within a mile from Route 3 in T55N R23W. Both adult birds and progeny could face a risk of collision or electrocution from this route. The risk to other birds cannot be evaluated specifically because their nests are not monitored, and therefore their locations are unknown. This is why it is important that the EIS address the monitoring and reporting of dead birds encountered within the transmission line corridors.

Many wetlands exist along Route 3. Therefore, herons and various duck species would also be expected to face an increased risk of collision or electrocution. Currently, the extent of this risk is unknown because many areas are difficult to access for monitoring. The EIS should address what measures would be set in place to monitor and minimize bird collision or electrocution by transmission lines.

### **Raptors /Ravens Nesting on Power lines**

Ospreys and Ravens often nest on power poles. This is more likely in areas where there are fewer adequate nesting sites. The EIS should be explicit about how osprey nests on power poles would be handled. The EIS should discuss reporting these to the DNR and a strategy to place a nesting platform nearby to replace any nest that has been taken down. Also active nests should not be taken down until after the nesting season has passed and young have fledged.

### **Vegetation Management in Power line Corridors**

The EIS should have details on how vegetation under power lines would be managed and whether or not herbicides would be used. The effects of herbicide use should specifically address impacts on amphibians.

### **Rare Species**

The Third paragraph of page 5-37 states that “there were no occurrences identified by the NHIS database search.” This statement may be misleading because the Natural Heritage Information System does not currently track occurrences of the gray wolf (*Canis lupus*) or Canada lynx (*Lynx Canadensis*) and would therefore not be a source for indicating whether or not those species were present.

The DEIS states that Route 2 will impact 142.2 acres of forested habitat. Route 2 traverses Old Growth Forest in T57N R24W Section 31. Impacts to this rare community are not acknowledged in the DEIS and should be addressed in the FEIS.

Generally, the DEIS seems to underemphasize the potential impact to state-listed plants. Although most of the known locations of state-listed threatened and endangered plants are outside of the proposed routes, these species may also occur within the routes if suitable habitat exists. As such, if the project will impact any potential habitat for these species, a botanical survey of the affected habitat will be needed. In particular, the third paragraph on Page 6-90 states that state-listed plants would not be impacted by Route 3A. However, *P. flava* var. *herbiola* does occur in the vicinity of Route 3A and may also occur within the boundary Route 3A if suitable habitat exists within the route. Any potential habitat of this species that would be affected by the project will need to be surveyed for this species.

Surveys must be conducted by an individual with previous experience doing rare plant surveys (see attached list). Please contact the Natural Heritage Review Coordinator, Lisa Joyal at 651-259-5109 or

[lisa.joyal@state.mn.us](mailto:lisa.joyal@state.mn.us), before initiating any survey work. Please also refer to the DNR Rare Species Guide (<http://www.dnr.state.mn.us/rsg/index.html>) for further information on the rare species that can be found in a particular habitat, and for the habitat and phenology of each targeted species.

Thank-you for considering the above input regarding discussion of natural resources in the DEIS for the Essar Steel Transmission Line Project. I encourage you to contact me with any questions or clarifications related to these comments.

Sincerely,



Jamie Schrenzel  
Principal Planner  
Environmental Review Unit  
(651) 259-5115

Enclosures (3)

**From:** Shanna Eskeli  
**To:** Storm, Bill (COMM);  
**Subject:** Fwd: Nashwauk Power Line  
**Date:** Thursday, February 18, 2010 12:22:18 PM

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----- Original Message -----

Bill,

Hi. My name is Shanna Eskeli and I talked to you in late September about the proposed power line in Nashwauk, MN. Our home, 15112 North Little Sweden Road, is slated to be placed directly under the proposed power line alternate route 1A. When I talked with you, our home was also not listed as an affected residence of the alternate route 1A. So, I wanted to make sure that was updated in the final draft EIS that will be coming out next month. In addition to being an additional house that was affected by the route it was obviously a concern for us because the power line cut as a "diagonal" across our 40 acres, going directly over our current residence. We have contacted MN Power with these concerns as well. Is there any additional things that we should do before the meeting in March? Thank you for your time.

Sincerely,  
Shanna Eskeli  
15112 N Little Sweden Road  
Nashwauk, MN 55769  
218-885-1307 (home)  
218-343-3472 (cell)



**From:** Shanna Eskeli  
**To:** Storm, Bill (COMM);  
**Subject:** nashwauk power line  
**Date:** Tuesday, March 23, 2010 9:08:22 PM

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Dear Bill,

I am writing this letter to reiterate a few points my husband, Eric, and I have made about the proposed power line in Nashwauk, Minnesota. First, on the initial study our residence was not included in the list of homes affected by route 1A, so are making sure our residence is listed as an affected home. This is of great importance because route 1A was proposed to cut across our 40 acres at a diagonal, directly over the top of our home. So, we are asking for route 1 to be the proposed route as route 1A would greatly affect our home and property, more so than any other property located on route 1A. Also, having three small children, ages 4, 2, and 1, we are also concerned about the health affects of our children living in direct proximity to a large power line. So, we would like to object to the proposed route that route 1A takes through Nashwauk. Thank you for your time.

Sincerely,  
Eric and Shanna Eskeli  
15112 N Little Sweden Road  
Nashwauk, MN 55769  
218-885-1307



**From:** [mjolsne@aol.com](mailto:mjolsne@aol.com)  
**To:** Storm, Bill (COMM);  
**Subject:** Give us an impact statement the show the real impact.  
**Date:** Friday, March 26, 2010 1:51:15 AM

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Bill,

Give us an impact statement the show the real impact not just something to passify us and the law. There is so much out there for studies that I can't believe all you could come up with is 1/2 of a page on EMF. Don't you think we deserve to know more then what the government requires you to produce when we are talking about human lives? I am sure the power company doesn't want you to put negative findings in you statement but isn't that was the statement is supposed to do, inform us of what the actual impact could be for us? It almost seems like a joke, that you are just doing this statement to comply with code and smooth things over with the public. You need to do what is right not just required. I do hope you never have to suffer knowing your children are chronically ill for the rest of their lives, but I bet if you did have a sick child that may have gotten sick from a power line you would rewrite your statement to make sure people knew the whole story. When I think of how we are being raped of our property and our health by the power company it makes me sick. I really don't know how you guys can sleep. And to sugar coat the impact statement because you can by law is just wrong. Beside I thought the statement was to provide the whole truth of the impact, and not just to write as little as you can get away with to make the Power Company look like this will be not problem for us. Obviously this impact statement is being written to make the Power Company happy and look good and not to provide the people of it's true effects. I do hope your conscience causes you to give us more information on the possible health effects we could be already suffering with. Besides haven't we already paid our dues by having to live with the current danger let alone doubling the danger.

This is an email address where you can find out more information about EMF.  
[jcmpelican@aol.com](mailto:jcmpelican@aol.com)

It was at the bottom of this artical [http://www.buergerwelle.de/pdf/urgent\\_need\\_to\\_inform\\_doctors\\_parents.htm](http://www.buergerwelle.de/pdf/urgent_need_to_inform_doctors_parents.htm) that talks about EMF lowering the immune system of mice exposed to emf. There is also stories simmiler to mine, my girls have an immune defincy that caused there cancer.

<http://omega.twoday.net/stories/450192/>

<http://factoidz.com/insomnia-how-magnetic-fields-emf-can-cause-insomnia/>

<http://www.howtolearn.com/qlinkemf.html>

Terri Mjolsness

[mjolsne@aol.com](mailto:mjolsne@aol.com)



## Minnesota Department of Transportation

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Mail Stop 130  
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Phone: (651) 366-4791  
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[Dave.Sevkora@state.mn.us](mailto:Dave.Sevkora@state.mn.us)

March 24, 2010

Bill Storm, Project Manager  
Office of Energy Security  
Minnesota Department of Commerce  
85 7th Place East, Suite 500  
St. Paul, MN 55101-2198

Re: In the Matter of Nashwauk Public Utilities Commission's Essar Steel High Voltage Transmission Line Project  
MPUC Docket No. E280/TL-09-512

Dear Mr. Storm:

On February 12, 2010, the Minnesota Office of Energy Security (OES) issued a Notice of Availability of Draft Environmental Impact Statement and request for public comments on the Draft Environmental Impact Statement (DEIS) relating to the route permit application by Nashwauk Public Utilities Commission and Minnesota Power for a new high voltage transmission line (HVTL) known as the Essar Steel Transmission Line Project. The Minnesota Department of Transportation (Mn/DOT) has reviewed the DEIS regarding the proposed transmission line project and submits the following comments in response to the Notice.

Based on our review of the DEIS, it appears that none of the proposed routes would run parallel to a Minnesota's trunk highway close enough to occupy a portion of the highway right of way. Therefore, as long as the routes and route widths described in the DEIS do not change, Mn/DOT does not anticipate further concerns regarding paralleling of state trunk highways. If you believe our assessment about the lack of proximity of the proposed routes to the trunk highway system is incorrect, please advise us immediately so that we can offer input on how the proposed route might impact the trunk highway system.

Route 1A appears to require a crossing over TH 65. Highway crossings by utilities generally do not pose insurmountable difficulties in issuing a permit, and Mn/DOT routinely grants such permits to a variety of types of utilities. These permits usually have conditions associated with them, such as placement of the poles so that they do not become a physical obstruction that might be struck by an errant vehicles or block the visibility of traffic. Mn/DOT also does not permit utilities to run diagonally across intersections and prefers that crossings occur as close to right angles as possible. Mn/DOT has a long history of working with utilities such as Nashwauk Public Utilities and Minnesota Power to establish appropriate conditions in locations where the utility seeks to cross a trunk highway. Mn/DOT does not anticipate encountering circumstances that would prevent it from being able to grant a permit, with appropriate conditions, for the HVTL proposed in this matter to cross TH 65.

Mn/DOT has adopted a formal policy and procedures for accommodation of utilities on the highway rights-of-way ("Utility Accommodation Policy"). A copy of Mn/DOT's policy can be found at <http://www.dot.state.mn.us/utility/files/pdf/appendix-b.pdf>.

Any HVTL construction work, including delivery or storage of structures, materials or equipment that may affect Mn/DOT right of way is of concern such that Mn/DOT should be involved in planning and coordinating such activities. If work is required within Mn/DOT right of way for temporary or permanent access, please coordinate with Elizabeth Wallin, District 1B Permits, at 218-742-1077 or [liz.wallin@state.mn.us](mailto:liz.wallin@state.mn.us).

Mn/DOT has a continuing interest in working with the OES to ensure that possible impacts to highways, airports, waterways, rail lines and the environmentally significant areas of highway right of way are adequately addressed. We appreciate the opportunity to provide these comments.

Sincerely,



David G. Seykora  
Office of the Chief Counsel

cc: Deborah R. Pile, OES  
Bryan Adams, Applicant  
Valerie Svensson, Mn/DOT  
Elizabeth Wallin, Mn/DOT District 1



David R. Moeller, Attorney – Legal Services

Fax 218-723-3955 / E-mail [dmoeller@allete.com](mailto:dmoeller@allete.com)

March 25, 2010

**VIA ELECTRONIC FILING**

Bill Storm  
Office of Energy Security  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101-2198

Re: In the Matter of the Application for a High Voltage Transmission  
Line Route Permit for the Essar Steel Transmission Project  
OAH Docket No. 8-2500-20664-2  
Docket No. E-280/TL-09-512

Dear Mr. Storm:

Joint Applicants, Nashwauk Public Utilities Commission and Minnesota Power, submit the following comments regarding the Draft Environmental Impact Statement (“DEIS”) issued by the Department of Commerce Office of Energy Security (“OES”) in February 2010 for the High Voltage Transmission Line Route Permit for the Essar Steel Transmission Project. Applicants have reviewed the DEIS and commend the thorough and comprehensive nature of the DEIS. Applicants appreciate the time and effort that OES staff put into preparing the DEIS and submitting ahead of the proposed schedule.

Applicants provide the following suggestions regarding additional information or corrections that would be appropriate to supplement in the Final EIS.

**Section 1.2 – Project Description and Location**

In Section 1.2 on page 1-3, the DEIS describes how the Applicants can supply all of Essar Steel’s load needs if just a single transmission line is in service. Applicants would note that this is technically correct, but that a single transmission line would not be capable of supporting Essar Steel’s entire load without violating North American Electric Reliability Corporation (“NERC”) standards.

### **Section 1.3 – Purpose and Need**

In Section 1.3 the DEIS states that “the Applicants have filed for an exemption to the CON rules that govern the construction of new HVTLs.” In Section 2.2 of the Route Permit Application, the Applicants noted that the Essar Steel Transmission Project meets the CON exemption criteria under Minn. Stat. § 216B.243, subd. 8(2) for construction of an HVTL that serves the demand of a single customer at a single location. However, Applicants have not filed for an exemption nor does the Minnesota Public Utilities Commission’s statutes and rules provide for such a process.

### **Section 1.6 - Route Width**

In Section 1.6 on page 1-6 (paragraph 1), the DEIS states “new transmission lines would be located within the existing ROWs....” Applicants would note that the new transmission lines would be located adjacent to an existing transmission line for Route 2 and replace an existing transmission line for Route 3.

### **Section 1.8 – Schedule**

Section 1.8 on page 1-6 states that the first phase of the Essar Steel project “is scheduled to be operational by spring 2011.” As set forth in the Direct Testimony of Bryan C. Adams dated March 1, 2010, the first phase of the Essar Steel project is scheduled to be operational by June 2012. See Adams Direct Testimony at page 4 and Schedule 1.

Also, the DEIS states the Route 3/3A line will be constructed as part of additional phases of the Proposed Project. However, the first transmission line to be built will be the one for Route 3/3A and is necessary for phase one of the Essar Steel project. In addition Route 4/4A will be part of the initial construction to connect the two new substations. Subsequent to this initial construction, Route 2/2A and Route 1/1A will be constructed to meet future Essar Steel project phases.

### **Section 1.9 – Project Cost**

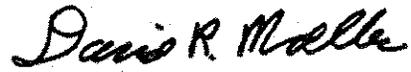
The DEIS provides the correct proposed construction costs for the Project as taken from Section 3.6.1 of the Route Permit Application. However, the DEIS states this is the “total estimated cost for the Proposed Project...” However, the costs in the DEIS do not include right-of-way acquisition. As described in Section 4.2.1 of the Route Permit Application, right-of-way acquisition costs are dependent on a number of factors, including whether there is a negotiated settlement with landowners or if right-of-way must be acquired through eminent domain proceedings.

### **Section 5.3.6.1 – Electric and Magnetic Fields**

The text referencing Figure 5-3 on page 5-11 states the figure shows comparison of field strength, while the actual Figure 5-3 shows spectrum of different frequencies of EMF from low to high frequency.

Please contact me at the number below should you have questions related to this filing.

Yours truly,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, slightly slanted style.

David R. Moeller

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STATE OF MINNESOTA    )  
                                  ) ss  
COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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Kristie Lindstrom of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 25<sup>th</sup> day of March, 2010, she served the Applicants' Comments on the Draft Environmental Impact Statement in Docket No. E-280/TL-09-512 to the Minnesota Public Utilities Commission and Office of Energy Security via electronic filing. The parties on the attached service list were served as so indicated on the list.

/s/ Kristie Lindstrom

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Subscribed and sworn to before  
me this 25<sup>th</sup> day of March, 2010.

/s/ Jodi Nash

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Notary Public - Minnesota  
My Commission Expires Jan. 31, 2015

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Bryan	Adams	badams.nashwauk@mcsh.com	Nashwauk Public Utilities Commission	301 Central Avenue Nashwauk, MN 55769	Paper Service	No	OFF_SL_9-512_CC-SL
Julia	Anderson	Julia.Anderson@state.mn.us	MN Office Of The Attorney General	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_9-512_CC-SL
Sharon	Ferguson	sharon.ferguson@state.mn.us	State of MN - DOC	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_9-512_CC-SL
Burl W.	Haar	burl.haar@state.mn.us	MN Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_9-512_CC-SL
Karen Finstad	Hammel	Karen.Hammel@state.mn.us	MN Office Of The Attorney General	1400 BRM Tower 445 Minnesota Street St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_9-512_CC-SL
Stacy	Kotch	Stacy.Kotch@state.mn.us	Minnesota Department of Transportation	395 John Ireland Blvd. St. Paul, MN 55155	Electronic Service	Yes	OFF_SL_9-512_CC-SL
John	Lindell	agorud.eci@state.mn.us	OAG-RUD	900 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_9-512_CC-SL
Robert	Lindholm	rlindholm@allstate.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Paper Service	No	OFF_SL_9-512_CC-SL
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Paper Service	Yes	OFF_SL_9-512_CC-SL
David	Moeller	dmoeller@allstate.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Paper Service	No	OFF_SL_9-512_CC-SL
Janet	Shaddix Eiling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Fwy Bloomington, MN 55431	Electronic Service	Yes	OFF_SL_9-512_CC-SL

