

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David Boyd
J. Dennis O'Brien
Phyllis Reha
Thomas Pugh
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application by
Minnesota Power and Nashwauk
Public Utilities Commission for a
HVTL Route Permit for the Essar
Steel 230 kV HVTL in Itasca County.

ISSUE DATE:

DOCKET NO. #E280/TL-09-512

**FINDINGS OF FACT, CONCLUSIONS,
AND ORDER ISSUING HVTL ROUTE
PERMIT FOR THE ESSAR STEEL
HVTL PROJECT**

The above-captioned matter came before the Minnesota Public Utilities Commission (the Commission) on July 29, 2010, acting on an application by Minnesota Power (MP) and Nashwauk Public Utilities Commission (NPUC) for a high voltage transmission line (HVTL) Route Permit to construct four 230 kV HVTLs to service the Essar steel mine and plant in Itasca County Minnesota.

STATEMENT OF ISSUE

Should the Commission find that the Environmental Impact Statement and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a HVTL Route Permit identifying specific routes and permit conditions for the proposed Essar Steel HVTL project?

Based upon all of the proceedings herein, the Commission makes the following:

FINDINGS OF FACT

1. The Findings of Fact of the Administrative Law Judge in his report dated June 3, 2010, are adopted in their entirety, with the following additional items:

(#57.1) The MDNR (Ecological Services) has identified an area within Route 2, west of O'Reilly Lake that serves as an important deer wintering area. The 1.6 mile portion of Route 2, which runs north-south between the 94 Line and the 28 Line, passes through a stand of conifers that is used by deer for winter cover.

(#59.1) Known locations of state-listed threatened/endangered plants have been identified within the study areas of the proposed routes. These species (i.e., *Botrychium oneidense* and *Platanthera flava* var. *herbiola*) may also occur within the proposed routes if suitable habitat exists.

(#59.2) Portions of proposed Route 3 cross the Biwabik Formation and have potential to impact State Trust minerals for which the MDNR has fiduciary responsibility to manage. The proposed route covers an area on the Mesabi Iron Formation of approximately 1.5 square miles. Although the footprint (i.e., ROW) of the power line itself will not require the entire proposed surface area of the proposed route, it will require a surface area buffer. The underlying mineral resources are encumbered by both the surface area impacted by the overhead HVTLs and infrastructure, as well as the necessary setback buffer area. The setback buffer areas are necessary to protect the power line from blast fly rock and mining equipment.

2. The applicant has agreed to the inclusion of reasonable conditions in the Route Permit.

Based on these Findings of Fact, the Commission makes the following:

CONCLUSIONS OF LAW

1. The Conclusions of Law of the Administrative Law Judge in his report dated June 3, 2010, are adopted in their entirety.
2. The Commission has the statutory authority to impose reasonable conditions in the site permits it issues.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commission makes the following:

ORDER

1. The Commission hereby issues a Route Permit to Minnesota Power and Nashwauk Public Utilities Commission for construction of four 230 kV HVTLs and two substations in Itasca County Minnesota.
2. The HVTL Route Permit shall be issued in the form attached hereto, including the description of the facilities, the description of the routes, and the inclusion of certain conditions.

Approved and adopted this _____th day of _____, 2009

STATE OF MINNESOTA
Public Utilities Commission

Burl W. Haar,
Executive Secretary