

From: mel smith [mailto:mnfriendsoftheheadwaters@gmail.com]
Sent: Friday, April 04, 2014 1:16 PM
To: Hartman, Larry (COMM)
Subject: Public comment Docket No. PL9/PPL-13-474

Dear Mr. Hartman,

Please find attached #2 of two documents drafted by Friends of the Headwaters regarding the Enbridge/North Dakota Pipeline Company Sandpiper route proposal.

It is expected these documents will be posted on the eDocket website as soon as possible.

Hard copies will be postmarked and mailed "Certified" to your office from the Park Rapids post office today.

Thank you for your attention to these matters.

Sincerely,

Richard Smith
President
Friends of the Headwaters



April 3, 2014

Mr. Larry Hartman, Environmental Review Manager
Energy Environmental Review and Analysis (EERA)
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Dear Mr. Hartman,

Regarding Public Utilities Commission (PUC) Docket No. PL9/PPL-13-474:

Please find attached our letter concerning the Enbridge/North Dakota Pipeline Company, LLC Sandpiper pipeline request for a proposed southern corridor route across northern Minnesota from Grand Forks, ND to Superior, WI.

The Friends of the Headwaters oppose this current projected route. You, the DOC and the Public Utility Commissioners will find our reasoning for our opposition and our proposal for an alternate route in the attached documents.

Friends of the Headwaters requests these documents be posted to the eDocket website as soon as possible.

Writing for the members of Friends of the Headwaters I thank you for your attention to these documents and for your attention to our concerns for the welfare and quality of our lands, waters and lives in the Headwaters Country.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Smith".

Richard Smith
President
Friends of the Headwaters

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POSITION PAPER - ENBRIDGE/NORTH DAKOTA PIPELINE COMPANY (NDPC) LLC
SANDPIPER PIPELINE PROJECT

Public Utilities Commission (PUC) Docket Number: PL-6668/PPL 13-474

April 2, 2014

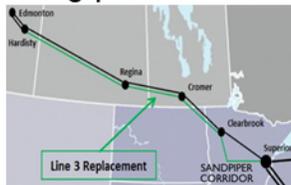
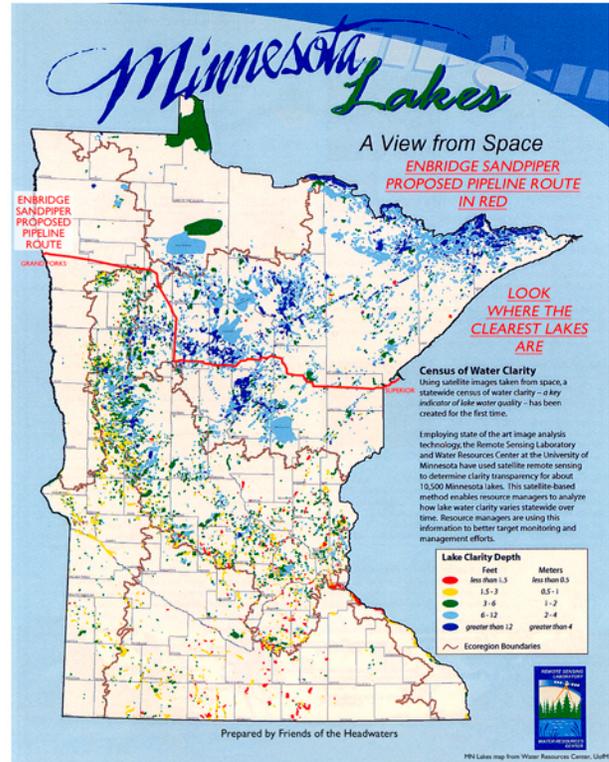
Prepared by
Richard Smith
Friends of the Headwaters
P.O. Box 583
Park Rapids, MN 56470

Friends of the Headwaters opposes the Enbridge/NDPC Sandpiper pipeline as currently projected to cross Minnesota's lake country from Grand Forks, ND to Superior, WI.

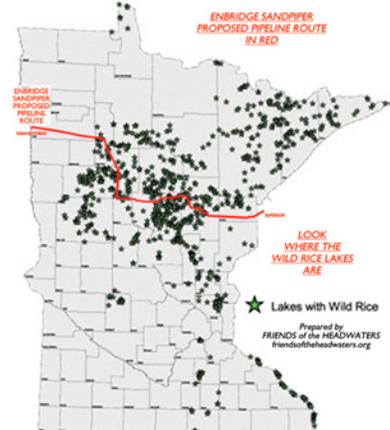
We believe Enbridge/NDPC's proposed "southern corridor" will NOT protect the high quality waters along this route.

Friends of the Headwaters also believes Enbridge intends to proliferate another multiple pipeline corridor with their southern route proposal.

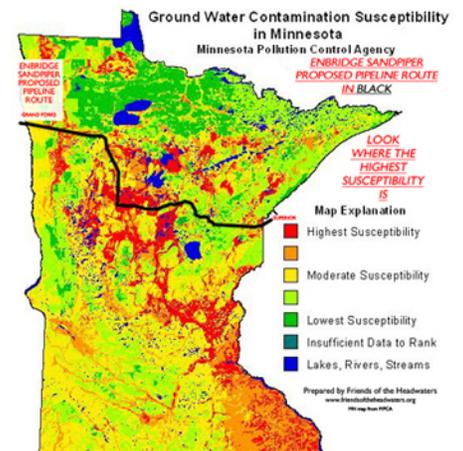
Note: Enbridge presented just that in an investor conference held April 2, 2014 in New York City. See 50th page of their pdf at this link:
<http://www.enbridgepartners.com/WorkArea/linkit.aspx?linkIdentifier=id&itemID=17004>



Besides our important residential and recreational lakes Minnesota's best wild rice lakes are also extremely vulnerable to this proposed pipeline. Those lakes are culturally and economically significant to Minnesota's Ojibwa tribes as well as being important food sources for our migratory waterfowl populations.



The "southern corridor" will severely jeopardize the Straight River aquifer in southern Hubbard County. The aquifer is critical as the sole drinking water source for the county seat, Park Rapids, as well as supporting the county's primary agricultural crop, potatoes. Annual revenue from the potato crop approaches \$500 million. A leak/rupture in the aquifer would severely impact this agricultural revenue, damage Park Rapids' potable water source, and despoil a renowned brown trout stream, as well.



Hubbard County natural resources support a vibrant tourism community with nearby Itasca State Park, home to the headwaters of America's most famous river, the Mississippi, and with its family-owned lake country resort businesses. The Minnesota Tourism Office estimates \$30 million dollars are spent in Hubbard County every vacation season. A catastrophic oil spill on the level of Enbridge's Kalamazoo River spill would devastate the county's tourism business.

Given the high risks to the county, state and private lands and waters along the proposed southern route, *Friends of the Headwaters* strongly disagrees with the PUC/DOC's position that a full environmental impact study (EIS) is not necessary for the confirmation of Enbridge/NDPC's route proposal. A PUC/DOC conducted CEA (comparative environmental analysis) will fail to meet MEPA standards. *Friends of the Headwaters* believes a complete EIS with the requisite and cumulative leak/spill scenarios and assessments for the lakes and rivers, trout streams, wild rice beds, lake homes and resorts, ground water sources, farmlands, wetlands, wildlife, local communities and their economies will validate *Friends of the Headwaters*' position of moving the Sandpiper route to a lower risk part of the state.

Therefore, *Friends of the Headwaters* is proposing a number of alternate routes for the Enbridge/NDPC Sandpiper pipeline that do not traverse any of Minnesota's clearest and cleanest lakes, rivers, trout streams, and fragile aquifers. Details and maps to follow.

Prior to presenting the details and maps *Friends of the Headwaters* wants it known that its technical consultants' requests for the Enbridge GIS mapping software were ignored by the company and the PUC. Access to the software was ultimately granted a few days before the closing date for public comment on route alternatives, but much too late to be of effective use by *Friends of the Headwaters* consultants. Maps were constructed from satellite aerial photography, road maps, DNR & PCA maps and existing pipeline corridor maps available at various sources on the Internet including Enbridge's website.

Before preparing these alternate routes *Friends of the Headwaters* first used the document 7852.1900 "Criteria for Pipeline Route Selection" made available at the March 12, 2014 PUC/Enbridge Sandpiper Public Hearing in Park Rapids, MN to determine the fallibility of Enbridge/NDPC's proposed southern corridor route. *Friends of the Headwaters*' comparative economic and environmental analysis of the impact of Enbridge/NDPC's Sandpiper pipeline upon the listed "Criteria for Pipeline Route Selection" fell short of meeting the requirements to maintain, sustain and protect the lands, waters and people along the proposed corridor.

Under Subp. 3. Criteria:

A. human settlement, existence and density of populated areas, existing and planned future land use, and management plans.

Hubbard County realizes \$34 million dollars annually in tax revenue(2012 data). 59% of its properties are water-influenced, meaning either on or have a view of a lake or river. Those parcels yield a \$20 million dollar figure. The Fishhook Chain of Lakes watershed is mostly in Todd and Arago Townships. Taxes on the water-influenced properties in those two townships is about \$2 million annually.

If a large rupture on the order of the Enbridge 1991 Grand Rapids, MN spill (1.7 million gallons) occurs at Hay Creek near the top of that watershed, it would dramatically impact the property values on those lakes resulting in a significant loss of tax revenue to the county, state, Park Rapids and its school district. It will be years before the county recovers from the damage. Not only will it incur the loss of tax revenues, but also the loss of residents, small businesses, tourists, and property values.



B. the natural environment, public and designated lands, including but no limited to natural areas, wildlife habitat, water, and recreational lands.

Any pipeline leak/spill/rupture will severely impact the sustainable environmental quality of life in Hubbard County. Itasca State Park, Mississippi River headwaters, LaSalle Scientific and Natural Area, Straight River brown trout fishery, Hay Creek and the Fishhook Chain of Lakes watershed, Straight River aquifer, Shell River, the Crow Wing River, and the many other nearby lakes all support and provide numerous recreational opportunities, swimming, fishing, hunting, hiking, biking, bird watching, boating, and others. \$30 million tourism dollars a season are at risk.

C. lands of historical, archaeological and cultural significance

The history of Native Americans and the early explorers in and around Itasca State Park is an asset to drawing tourists to the park. The wild rice waters in Hubbard and Clearwater Counties are culturally and economically significant. The proposed Sandpiper route is dangerously close to Upper Rice Lake, the Anishinaabe's best wild ricing lake in Clearwater County. The wild rice harvested there is commercially and domestically important to the White Earth Ojibwa.



D. economies within the route, including agricultural, commercial or industrial, forestry, recreational, and mining operations.

All future business, residential, retirement and agricultural growth will be impacted by any pipeline leak/spill/rupture. Over 500 jobs and \$500 million dollars in revenue/year is generated by the potato crop alone. Besides potatoes and the commodity crops of corn and beans, fresh fruit and vegetables are also grown and marketed locally to residents and tourists by smaller farms operating within the Straight River aquifer. Farm incomes and tourists dollars drive the local small business economy.

Although some small businesses may see a short term gain from pipeline construction, the long term economic vitality of the community, its businesses and people may not recover from a spill.

Enbridge/NDPC touts the tax payments it will be making annually to Hubbard County. The public has heard two figures, either \$3 million or \$5 million dollars, but relative to the value of the Bakken crude proposed to pass through the county each year, \$14.6 billion dollars, that tax revenue seems woefully short for the risks assumed. What costs will the county incur for infrastructure repair after construction? What will be the costs of training police, fire, paramedic and medical personnel in the special hazards of oil spills and fires? We haven't heard anything about the PUC requiring a significant Escrow account to ensure funds are available when a pipeline fails.

The state and its northern counties derive income from their forest lands. Those forest taken out of production along "Greenland" portions of the proposed route will mean a loss of timber jobs and income, as well as a loss of habitat for wildlife, especially birds.

E. pipeline cost and accessibility

How much higher are the construction costs of multiple bores under rivers and streams? What are the contingency plans and costs for controlling "frackouts" in stream beds during a bore. Friends of the Headwaters has learned a "frackout" occurred on nearly every stream or river bore during this area's last pipeline construction project in 2007. What are the costs and issues for winter construction of wetland areas along the route? How do the company and clean-up agencies access those wetlands areas in non-winter seasons if and when a leak/spill/rupture occurs? What are the economic consequences of summer construction and congestion issues with roads and traffic? How will availability of lodging not just for construction crews but also for tourists be affected. How will the compatibility of construction workers be with tourists, residents and local businesses. How trustworthy and reliable will these workers be with respect to property and paying for services. Some resort owners have informed Friends of the Headwaters they will not provide lodging for pipeline workers due to previous pipeline worker negative experiences. Will Enbridge/NDPC be financially responsible for covering damages or lost income from disreputable and irresponsible workers? *Friends of the Headwaters* believes only a properly executed EIS will provide the comprehensive assessment for the above scenarios.

F. use of existing rights-of-way and right-of-way sharing and paralleling.

Although Enbridge/NDPC is proposing to use existing energy corridors in Hubbard County numerous landowners along the route have complained of poor easement usage, property damage, poor restoration or reclamation efforts, and generally bad relations with other pipeline companies. They are skeptical of Enbridge claims to treat them better given accounts they have seen or heard from landowners on the Enbridge northern

pipeline corridor. Landowners along the proposed route are also concerned of the liability issues regarding detection and reporting of any leaks or spills. Attorneys have warned landowners to be wary of the language within the Enbridge/NDPC easement contract.

G. natural resources and features

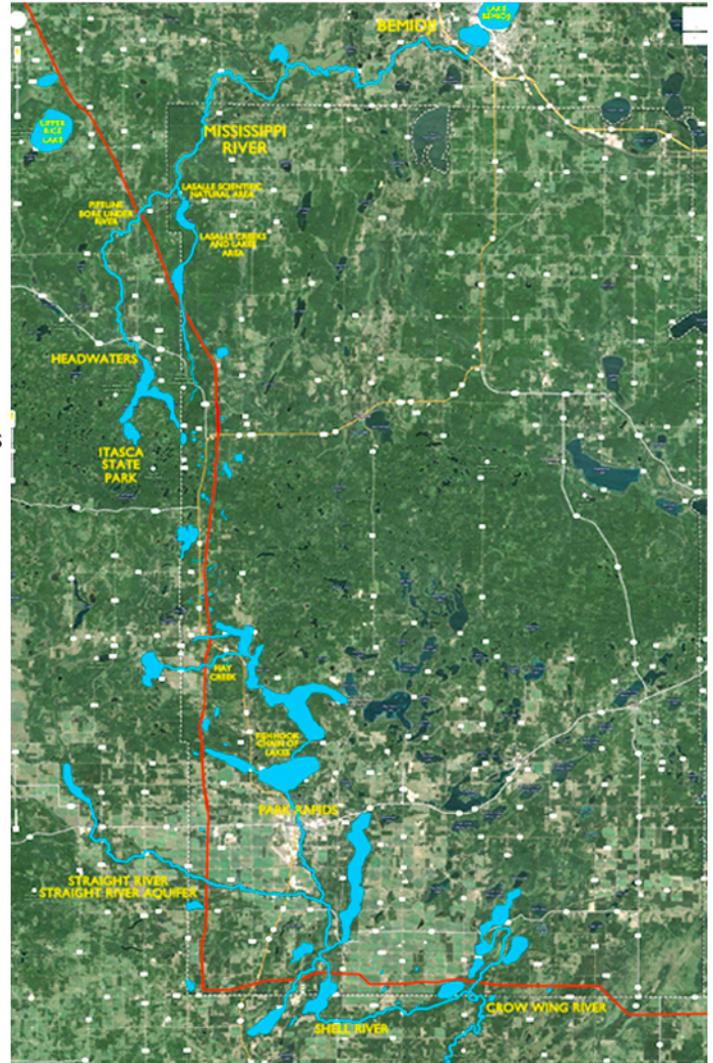
Friends of the Headwaters has no faith in Enbridge/NDPC's word they can safely protect the lands and waters of Minnesota's lake country.

All pipelines leak eventually. While conducting a complete EIS for the Pebble Mine near Bristol Bay, Alaska, the EPA examined the history of pipeline spills relative to the age and mileage of all pipelines. They determined that every pipeline will leak at least once every 30 years over every 30 miles of length. Not surprising the history of Enbridge spills along their northern corridor in Minnesota fits that profile quite well. To quote from a 2003 MPCA report to the NTSB: "nearly three dozen non-third-party spills, leaks or ruptures on just one Enbridge 34 inch line between 1972 and 2003. About 87% of the petroleum gallons spilled from all Minnesota pipelines in the period 1991 to 2002 was from that Enbridge line. This is equal to about 48% of the reported gallons of petroleum spilled from all sources in Minnesota during that period. Included in the Enbridge 34 inch line spills are the 1.7 million gallon rupture in 1991 in Grand Rapids and the 250,000 gallon rupture on July 4, 2002 in Cohasset. 300,000 gallons of the Grand Rapids spilled flowed to a river. Luck with the timing of the spill and river ice conditions kept thousands of gallons of crude from entering the Mississippi River. Oil in the Mississippi would likely have fouled the St. Cloud, St. Paul, and Minneapolis drinking water intakes for months. Likewise the Cohasset spill could have easily entered the Mississippi River if it had happened in a different segment of that 34 inch pipeline."

The Mississippi River Headwaters, Itasca State Park, the Straight River aquifer and brown trout stream, the Shell and Crow Wing Rivers, the Fishhook Chain of Lakes, Upper Rice Lake and other wild rice lakes, and some of the clearest lakes in the state are all at risk from this proposed Sandpiper southern corridor and Enbridge's stated plans to make it a multiple pipeline corridor.

H. the extent to which human or environmental effects are subject to mitigation by regulatory control and by application of the permit conditions contained in Minn. Rule, part 7852.3600 for pipeline right-of-way preparation, construction, cleanup, and restoration practices.

Enbridge's history with the Alberta Clipper line, Line 3 and other lines in the northern corridor is well known as stated above. The PUC completely ignored the numerous landowner complaints of Enbridge's poor behavior, cleanup, followup, and restoration efforts or lack thereof on the Certificate of Route and Need Applications for the Alberta Clipper line. *Friends of the Headwaters* has learned some landowners are losing buildings, well houses, wood lots, and in some cases homes to Enbridge/NDPC's easement demands. Eminent domain actions are especially disliked.



I. cumulative potential effects of related or anticipated future pipeline construction

Now that Enbridge has stated the Line 3 rebuild (NYC Investor Conference 4/2/14) will occur in the Sandpiper "southern corridor", a comprehensive EIS (environmental impact study) conducted by the proper state and federal regulatory authorities is absolutely essential. As previously stated, all leak/spill/rupture risk scenarios must be assessed and fully described for high value resources. The EIS must also compare all reasonable and prudent alternative routes. EIS studies should be required to use GIS software to optimize the potential alternative routes other than Enbridge/NDPC's routes.

J. the relevant applicable policies, rules, and regulations of other state and federal agencies, and local governmental land use laws including ordinances adopted under Minnesota Statutes, section 299J.05, relating to the location, design, construction, or operation of the proposed pipeline and associated facilities.

A project of this magnitude as planned through the heart of "The Land of 10,000 Lakes" must conform to the standards prescribed in MEPA.

“No state action significantly affecting the quality of the environment shall be allowed, nor shall any permit for natural resources management and development be granted, where such action or permit has caused or is likely to cause pollution, impairment, or destruction of the air, water, land or other natural resources located within the state, so long as there is a feasible and prudent alternative consistent with the reasonable requirements of the public health, safety, and welfare and the state's paramount concern for the protection of its air, water, land and other natural resources from pollution, impairment, or destruction. Economic considerations alone shall not justify such conduct.”

Since *Friends of the Headwaters* does not believe this proposed multiple pipeline "southern" corridor with the Sandpiper and now Line 3 rebuild can meet the high standards set above for quality, safety and sustainability of the lands and especially waters along the route, *Friends of the Headwaters* is proposing a "real" southern corridor for Sandpiper.

