

Minnesota Department of Natural Resources

Division of Ecological and Water Resources
500 Lafayette Road
St. Paul, MN 55155
651-259-5115



January 3, 2014

Bill Storm, Environmental Review Manager
Energy Environmental Review and Analysis (EERA)
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul MN 55101

Re: Application of Minnesota Power for a Route Permit for a High Voltage
Transmission Line for the Canisteo Project in Itasca County, Minnesota
Public Utilities Commission (PUC) Docket Number: E-015/TL-13-805

Dear Mr. Storm:

The Minnesota Department of Natural Resources (DNR) has reviewed the Application for a Route Permit for the Canisteo Project in Itasca County and submits the following comments for your consideration.

The DNR would support the inclusion of the attached substation location for analysis in the Department of Commerce Environmental Assessment for the Canisteo Transmission Project. DNR staff discussed this alternative with Minnesota Power and appreciates collaboration regarding this alternative. The DNR has substantial concerns regarding the location of the proposed substation included in the Route Permit Application due to the encumbrance of state mineral resources in a manner that would be difficult to address. The attached location alternative would help address these concerns, though conditions specific to encumbering state mineral resources would remain necessary in the License to Cross Public Lands and Waters.

Final terms of lease/license for crossing state-administered lands will require prior approval of DNR Assistant Director (Division of Lands and Minerals-Hibbing) and should include language to ensure that any future realignment or changes to the line or substation location will be conducted at Minnesota Power's expense and at the State's discretion.

Thank you for the opportunity to review the Canisteo Transmission Project. Please contact me with any questions.

Sincerely,



(Melissa Doperalski, DNR Planning Director) *for*

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

Enclosures: 1

C: Mike Kaluzniak, Minnesota Public Utilities Commission
Daniel McCartney, Minnesota Power