MINNESOTA DEPARTMENT OF COMMERCE

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AN EQUAL OPPORTUNITY EMPLOYER

April 17, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: EA Scoping – Alternative Routes
Minnesota Power's MP 16 Line Relocation HVTL Project
Docket No. E015/TL-14-977

Dear Dr. Haar:

Per the Commission's Order of February 26, 2015, the Minnesota Department of Commerce (DOC) Energy Environmental Review and Analysis (EERA) staff is providing the Commission with a summary of the scoping process for the Environmental Assessment that will be prepared for the Minnesota Power 16 Line Relocation project; no alternative routes were put forth during the scoping process.

Minnesota Power proposes to construct an approximately 3.0-mile-long, 115 kV HVTL in St. Louis County. In addition, three miles of existing transmission line will be taken out of service and removed. The proposed HVTL would connect to Minnesota Power's existing 16 Line on the east side of United Taconite's existing tailings basin and proceed southeast, parallel to an existing railroad grade for approximately 1.25 miles. The line would then proceed southwest for approximately 1.75 miles where it would connect to the existing 16 Line.

EERA staff is available to answer any questions the Commission may have.

Sincerely,

William Cole Storm, DOC EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE MINNESOTA DEPARTMENT OF COMMERCE ENERGY FACILITY PERMITTING STAFF

DOCKET NO. E015/TL-14-977

EERA Staff: William Cole Storm…….…….. (651) 296-3595
Date……..…… April 16, 2015

In the Matter of the Application of Minnesota Power for a Route Permit for the Relocation of Line 16 HVTL Project

Issues Addressed: Route Alternatives Proposed During Scoping.

Additional documents and information can be found on http://mn.gov/commerce/energyfacilities/Docket.html?Id=34059 or on eDockets http://www.edockets.state.mn.us/EFilin/search.jsp (14-977).

This document can be made available in alternative formats (i.e. large print or audio) by calling 651-539-1530 (voice).

Introduction and Background

On January 20, 2015, Minnesota Power (MP or Applicant) submitted a high voltage transmission line (HVTL) Route Permit Application[1] under the alternative permitting process to the Commission for the proposed transmission line relocation of the MP Line 16.

United Taconite requested that Minnesota Power remove an existing 115 kV HVTL (portion of the 16 Line) to accommodate United Taconite's plans to expand its tailings basin located south of Fayal Township.

The Commission released an Order on February 26, 2015, finding the route permit application to be complete and initiating the alternative review process.

In the Commission's Order accepting Minnesota Power's HVTL Route Permit as complete, the Commission requested that the EERA present, to the Commission, the alternative routes that

[1] Route Permit Application (RPA), eDockets Document ID 20151-106265-01

were put forth through the scoping process. The requested information is contained within the *Scoping Process Summary* provided below.

Project Location
The project is located in St Louis County, south of Fayal Township and approximately four miles east of McDavitt Township.

Project Description and Purpose
Minnesota Power proposes to construct an approximately 3.0-mile-long, 115 kV HVTL in St. Louis County. In addition, three miles of existing transmission line will be taken out of service and removed. The proposed HVTL would connect to Minnesota Power's existing 16 Line on the east side of United Taconite's existing tailings basin and proceed southeast, parallel to an existing railroad grade for approximately 1.25 miles. The line would then proceed southwest for approximately 1.75 miles where it would connect to the existing 16 Line.[2]

State Regulatory Process — Scoping

Applications for high voltage transmission line route permits under the alternative permitting process are subject to environmental review, which is conducted by Department of Commerce (Department) Energy Environmental Review and Analysis (EERA) staff under Minn. Rule 7850.3700.

The EERA staff is responsible for evaluating the HVTL route permit application and administering the environmental review process. The Commission is responsible for selecting the transmission lines routes and issuing the HVTL route permit.

Environmental review under the alternative permitting process includes public information/scoping meetings and the preparation of an environmental review document, the Environmental Assessment (EA) (Minn. R. 7850.3700). The environmental assessment is a written document that describes the human and environmental impacts of the transmission line project (and selected alternative routes) and methods to mitigate such impacts.

The EA must be completed and made available prior to the public hearing.

The purpose of the scoping process is to provide the public with an opportunity to participate in the development of the scope of the EA by holding a public meeting and comment period through which public comment is solicited.

Once the comment period on the scope of the environmental review document expires, applicants are given an opportunity, per Minnesota Rule 7850.3700, subpart 2, item B, to respond to each request that an alternative be included in the environmental assessment.

Commission's Consideration of Alternatives
Under Minn. Rules, part 7850.3700, subp. 3, the scope of the environmental assessment must be determined by the Department within 10 days after close of the public comment period (March

[2] RPA at p 9

21, 2013, in this case). However, Minn. Stat. § 216E.04, subd. 5, anticipates Commission input into the identification of routes, in addition to the applicant's proposed route, for inclusion in the environmental review of a project. Since the rule's 10-day timeline for determining the scope of the environmental assessment after the close of the public comment period constrains the Commission's ability to provide input, the Commission varied the 10-day timeline. The Commission extended the 10-day timeline to 40 days (which would be May 13, 2015), subject to the Executive Secretary's authority to seek additional time from the Commission.

Scoping Process Summary

On February 27, 2015, Commission staff sent notice of the place, date and times of the Public Information and Scoping meeting to those persons on the General List maintained by the Commission, the agency technical representatives list and the project contact list.[3]

Additionally, mailed notices were sent to those persons on Minnesota Power's property owners list and to the local units of government. Notice of the public meeting was also published in the local newspapers.

On Monday, March 23, 2015, Commission staff and EERA staff jointly held a public information/scoping meeting at the Eveleth City Hall in Eveleth. The purpose of the meeting was to provide information to the public about the proposed project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts (i.e., scope) that should be considered during preparation of the environmental review document.

One person attended the public information and scoping meeting; no individuals took the opportunity to speak on the record. A court reporter was present to document oral statements.[4]

Since only one member of the public (a Ms. Julie Marinucci from the consulting firm Short, Elliott, Hendrickson) attended the meeting, an informal question and answer period was held in lieu of a formal presentation. A variety of topics were discussed during this conversation, including project description, environmental review and schedule.

Written comments were due no later than Friday, April 3, 2015.

Three written comments were received: two from state agencies (Department of Natural Resources and Department of Transportation) and one from the Applicant.[5]

The Department of Natural Resources (DNR) in its comment letter acknowledged that the DNR had previously reviewed a request from the Applicant regarding state listed species. The DNR's response to that request was that the proposed project would not be likely to negatively affect any know rare features.

The Department of Transportation (MnDOT) in its letter recognized that it appears that the project area does not directly abut any state trunk highway; however, the agency did request that

[3] Notice of Public Information/Scoping Meeting, eDocket No. 20152-107733-01
[4] Oral Comments Received During Scoping, eDocket No. ?????-??????-01
[5] Written Comments Received During Scoping, eDocket No. 20154-108882-01, 20154-108832-01, and 20154-108834-01

it be made aware of any changes to the proposed HVTL that may bring the project area close enough to occupy a portion of current MnDOT rights-of-way (ROW). Additionally, MnDOT requested that it be informed if the transportation and/or storage of structures have the potential to affect any MnDOT ROW.

The Applicant took this opportunity to clarify an alignment question that was raised during deliberations at the Commission's meeting on application completeness; that is, why the proposed route did not follow a straighter line between the portions of the existing 16 Line. The Applicant explained in its letter that the area between the existing 16 Line and the proposed route is comprised of wetland and peat soils. Along the proposed route, the project's heavy angle structures are located in mineral soils. If the project's heavy angle structures were installed in wetland and peat soils rather than the mineral soils found along the proposed route, foundation costs as well as maintenance would increase. Additionally, the proposed route for the project follows existing linear infrastructure, specifically an existing railroad grade in sections 16, 17 and 21 T56N, R17W.

These items and issues, along with the typical HVTL routing impacts, will be incorporated into the EERA staff's recommendation to the Department Deputy Commissioner on the Environmental Assessment Scoping Decision.

Proposed Alternatives
No alternative routes were put forth during the EA scoping comment period.

EERA Staff Analysis and Comments

The scoping process for environmental review in Minnesota is designed to identify and analyze "only those potentially significant issues relevant to the proposed project" and alternatives to the project.[6] With respect to route and site alternatives, the Department is charged with including those alternatives which will "assist in the [Commission's] ultimate decision on the permit application."[7]

In analyzing which route and site alternatives proposed during the scoping process should be carried forward for evaluation in the environmental review document for a project, EERA staff considers five criteria:

1) Was the alternative submitted within the scoping period, i.e., prior to the end of the public comment period for scoping?

2) Does the alternative contain the information required in Minnesota Rule 7850.3700, including "an explanation of why the site or route should be included in the [environmental review document]"? EERA staff interprets this text to require that a commenter not only identify the route and site alternatives – to be included in the scope of the environmental review document – but also identify the potential impacts of the proposed project the alternative is intended to mitigate. The commenter need not provide

[6] Minnesota Rule 4410.2100, Subp. 1.
[7] Minnesota Rule 7850.3700, Subp. 2.

extensive supporting data for their alternative, but must provide enough explanation such that the potential impact being mitigated by the route or site alternative is clear and understandable.

3) Is the alternative outside of areas prohibited in Minnesota Rule 7850.4300, e.g., state and national parks?

4) Does the alternative meet the applicant's stated need for the project?

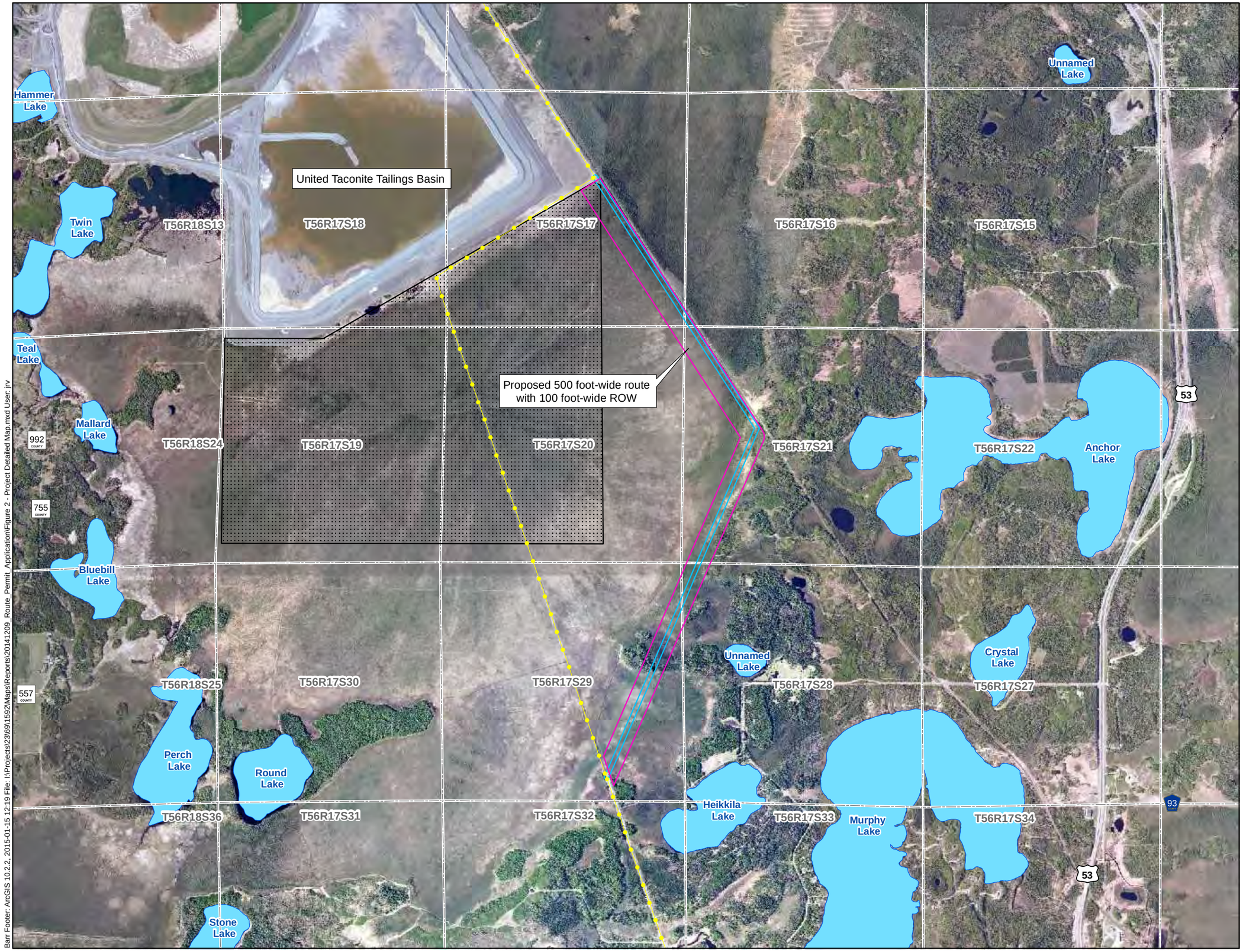
5) Is the alternative feasible?

With regards to Minnesota Statutes 216E.03, subdivision 7, item e, which requires the Commission to make specific findings as to the feasibility of locating the proposed transmission line along or within an existing HVTL or highway ROW, it should be noted that the Applicant's proposed route follows an existing corridor (i.e., Canadian National Railroad) for approximately 1.25 miles of the total 3 mile project.

As noted above, no requests for the consideration of a route alternative were received during the scoping period. The range of potential routes considered by the Applicant for the proposed Project was constrained by a need to connect to existing infrastructure and the small geographic area of the proposed project. Because of engineering constraints associated with getting proper clearances around existing and proposed infrastructure, there was no ability for the Applicant to consider routes other than the one proposed.[8] Based on a review of the filings and maps of the area, EERA staff has not identified additional routes for review beyond the route proposed in the route permit application.

EERA staff plans to recommend to the Deputy Commissioner of the Department that the scoping decision for the MP 16 Line project include only that route proposed by Minnesota Power in its route permit application (see attached map) for evaluation in the EA.

[8] Route Permit Application, Section 4.3



Existing 16 Line
Proposed 16 Line 100 foot-wide ROW
Proposed 16 Line 500 foot-wide Route
PWI Basin
Tailings Basin Expansion Area
Public Land Survey Sections

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EERA C&R Map

PROJECT DETAILED MAP
Proposed 16 Line Reroute
Saint Louis County, MN

Barr Footer: ArcGIS 10.2.2, 2015-01-15 12:19 File: I:\Projects\2369\1592\Maps\Reports\20141209_Route_Permit_Application\Figure 2 - Project Detailed Map.mxd User: jrv

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments and Recommendations – Alternative Routes

Docket No. **E015/TL-14-977**

Dated this 17th day of April 2015

/s/Sharon Ferguson

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