

PIPELINE ROUTING PERMIT
FOR
NATURAL GAS PIPELINE
IN
SCOTT COUNTY, MINNESOTA
ISSUED TO
NORTHERN STATES POWER COMPANY d/b/a XCEL ENERGY
MEQB DOCKET NO. 04-82-PRP-Xcel Blue Lake

In accordance with the requirements of Minnesota Statutes section 116I.015 and Minnesota Rules chapter 4415, this Pipeline Routing Permit is hereby issued to

XCEL ENERGY

Xcel Energy is authorized by this permit to construct a new natural gas pipeline approximately 11 miles long in Scott County along a route identified in this Routing Permit and in compliance with the conditions specified in this permit.

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD



Robert A. Schroeder
Chair

Issued: June 17, 2004

I. PIPELINE ROUTING PERMIT

The Minnesota Environmental Quality Board hereby issues this Pipeline Routing Permit to Xcel Energy pursuant to Minnesota Statutes section 116I.015 and Minnesota Rules chapter 4415. This permit authorizes Xcel Energy to construct a natural gas pipeline and associated facilities in Scott County, Minnesota. The natural gas pipeline will be approximately 11 miles.

II. PROJECT DESCRIPTION

The pipeline authorized to be constructed under this permit will connect the Blue Lake Generating Plant with a natural gas supply. The Blue Lake Generating plant will be interconnected with a planned meter station near the Northern Natural Gas Company's (NNGC) interstate natural gas pipeline via this proposed new pipeline. The proposed pipeline will be constructed of steel, will be approximately 11 miles in length and 16 inches in diameter, and is designed to deliver between 76.8 and 148.8 million cubic feet of natural gas per day at a nominal operating pressure of 530 to 950 psig.

The pipeline will be buried a minimum of 54 inches to the top of the pipe; typical trench dimensions will be 74 inches in depth and 28 inches in width. Depending on site specific conditions, horizontal drilling methods of pipeline placement may be used instead of trenching.

The town border station will contain above and below ground piping and various equipment to measure, monitor and odorize the natural gas being delivered into the pipeline. Specifically, the station will include a gas meter to measure gas deliveries into the pipeline, a pipeline shut off valve with remote control operation, monitors for pressure, flow and temperature, and the telemetry systems to bring station information back to Xcel Energy's gas control operators. The measurement equipment will be housed inside a building within a fenced area. The shut off valves will be located outside of the building for quick access. Entry and exit point piping will be constructed at the town border station and at the Plant end of the pipeline to allow for pipeline pigging compliance with federal pipeline integrity testing regulations. One above-ground sectionalizing valve and the associated blow down piping will be placed along the pipeline route. These will be located along the pipeline easement and protected from traffic by fencing and/or barricades. Markers and cathodic protection test lead posts will be installed along the pipeline route as required by state and federal codes. At the Blue Lake Generating Plant, equipment inside the fence will include above and below ground piping, a gas meter, pressure control equipment, a shutoff valve, and telemetry equipment.

A more detailed explanation of the proposed project is contained in the application for Gas Pipeline Route Permit filed with the EQB.

III. DESIGNATED ROUTE

The pipeline route originates at the existing Northern Natural Gas interstate pipeline adjacent to Zumbro Avenue and about 1000 feet north of 170th Street in the south half of Section 2 in Sand Creek Township in Scott County. The route then follows the east right of way (ROW) for Zumbro Avenue north to the intersection with 130th Street (Scott County Road 78).

The pipeline route will then cross the undeveloped land (i.e., the Zumbro to U.S. Highway 169 alternative) between the intersection of Zumbro Avenue and 130th Street (Scott County Road 78) and U.S. Highway 169. The pipeline will cross this land by heading directly north along the east side of the property line (demarcation line) to the south ROW of U.S. Highway 169.

The pipeline route then follows the south ROW of U.S. Highway 169 east to a point just west of Eagle Creek Boulevard (Scott County Road 16) where it will cross under U.S Highway 169 to the north ROW. The pipeline route then extends east along the north ROW of U.S. Highway 169 to the western edge of the Blue Lake Plant site. The pipeline route follows the west and north edges of the Plant site until it will turn south to enter the Plant and terminate at the Plant's gas metering station. Large scale maps (Figure B-1 through B-10, along with the Zumbro to U.S. Highway 169 alternative map) showing the pipeline route are attached.

IV. RIGHT-OF-WAY SELECTION

The designated route includes a variable width of up to 300 feet from the ROW of Zumbro Avenue and the above mentioned property line, and 600 feet from U.S. Highway 169 within which the actual right-of-way for the pipeline can be selected by the Permittee in order to accommodate landowner requests and to minimize impacts.

It is anticipated that the actual pipeline ROW will include a permanent pipeline easement width of 30-feet from the ROW of Zumbro Avenue, and 50 feet from the above mentioned property line and the ROW of U.S. Highway 169, unless site specific concerns to minimize impacts dictate otherwise. Temporary ROW allowing for an adequate work-space is anticipated to include an additional 25 feet outside the permanent easements.

The town border station at the connection with the Northern Natural Gas Company pipeline will require an easement of 100 feet by 100 feet.

In selecting the actual right-of-way, both permanent and temporary, for the pipeline within the designated route, the Permittee shall attempt to locate the pipeline along existing rights-of-way such as county roads, along section lines and half section lines, and along headlands. The Permittee shall attempt to minimize the number of drain tile that have to be crossed during construction.

V. EQB REVIEW OF PLAN AND PROFILE AND RIGHT-OF-WAY SPECIFICATIONS

At least 14 days before right-of-way preparation begins, Xcel Energy shall provide the EQB with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration for the pipeline. The Permittee may not commence construction until the 14 days has expired or until the EQB has advised the Permittee that it has completed its review of the plan and profile and specifications and drawings. If the Permittee intends to make any significant changes in its plan and profile or the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration after review by the EQB, the Permittee shall notify the EQB Chair at least five days before implementing the changes. The Permittee shall also provide the Minnesota Office of Pipeline Safety with the information it gives the EQB.

VI. PERMIT DISTRIBUTION

Xcel Energy shall, within 10 days of receipt of this pipeline routing permit from the EQB, send a copy of the permit to the office of the auditor of Scott County and the clerk of the City of Shakopee.

VII. PERMIT CONDITIONS

The Permittee shall comply with the following conditions during construction of the pipeline and the life of this permit.

1. The Permittee shall comply with all applicable state rules and statutes.
2. The Permittee shall follow those specific construction practices and material specifications described in the Application, unless this Permit establishes a different requirement in which case this Permit shall prevail.
3. At least ten days prior to commencing construction, the Permittee shall advise the EQB in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit during construction. This person's address, phone number, and emergency phone number shall be provided to the EQB, who may make the information available to local residents and public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the EQB.
4. The Permittee shall repair all private roads and lands damaged when moving construction equipment to site worksites. Impacts to human settlement from the pipeline will be limited to temporarily altered access to some of the businesses and homesteads along U.S. Highway 169 and Zumbro Avenue

during construction. Sequencing the work to minimize the time driveways are blocked or trenched will minimize this inconvenience to the local businesses and residences. Landowners will be notified in advance of the construction schedule and the timing of driveway disturbances. Temporary access or heavy metal plates will be used to maintain access to driveways. Restoration of disturbed driveways will be completed as soon as practicable following construction.

All adjacent and intersected streets and highways along the pipeline route will be kept open during construction.

Horizontal drilling techniques will be used to cross U.S. Highway 169 and all the hard-surfaced roadway and interchange ramps that intersect U.S. Highway 169. Horizontal drilling techniques will also be used to cross County Road 78 (130th Street West) and the Daryl Lee property. These techniques will also be evaluated for crossing under other roadways. In all cases, road crossing permit requirements will be followed.

Barricades, warning signs and other safety measures will be used to ensure the safety of the public during construction. Around road and driveway crossings, fencing or other types of barricading will be employed to protect public safety.

5. The Permittee shall restore the area affected by the pipeline to minimize runoff and other impacts to the extent compatible with construction and operation of the power plant and associated facilities.
6. Approximately half of the pipeline route is along areas containing "Prime Farmland" soils, as defined by Minnesota Rules part 4400.3450, Subp.4. Soil resources, particularly those designated as Prime Farmland soils will be preserved by segregating the topsoil during excavation and backfilling and by employing erosion control best management practices. The erosion control measures will also serve to protect area streams, lakes and wetlands from detrimental deposition of eroded soils.

The Permittee shall, after consultation with representatives of the county and interested landowners and the Minnesota Department of Agriculture, submit an agricultural impact mitigation plan to the EQB prior to the start of construction. The plan shall set forth mitigative measures that the Permittee will implement to address individual and cumulative impacts of the pipeline on agricultural lands crossed by the pipeline. Upon submission of the plan, the plan shall become a condition of this permit and shall be complied with by the Permittee.

Wetlands crossed by the pipeline will be restored by replacing the subsoils and surface soils in a similar condition as before the project. The pipeline

route does not cross any MDNR designated Public Waters so the project will not require a Public Waters Work Permit.

Construction along the pipeline route will cause temporary disturbance, and is not expected to have long term impacts in the area. No significant long term impacts to vegetation and wildlife, geology and soils, and water resources and wetlands are expected.

7. The Permittee shall remove all litter and construction debris from the area upon completion of construction.
8. Within sixty days after completion of construction of the facility, the Permittee shall submit copies of all the final as-built plans and specifications developed during the project.
9. Within sixty days of completion of construction, the Permittee shall submit to the EQB, in the format requested by the EQB, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for all above ground structures associated with the pipeline, the connection point with the Northern Natural Gas pipeline, the bend where the pipeline turns to the east U.S. Highway 169), and the point at which the pipeline connects with the power plant.

VII. PERMIT AMENDMENT

This permit may be amended at any time by the Environmental Quality Board. Any person may request an amendment of this permit by submitting a request to the Chair in writing describing the amendment sought and the reasons for the amendment. The Chair will mail notice of receipt of the request to the permittee. The EQB may amend the permit after affording the permittee and interested persons such process as is required.

VIII. TRANSFER OF PERMIT

The Permittee may request at any time that the Environmental Quality Board transfer this permit to another person or entity. The Permittee shall provide the name and description of the person or entity to whom the permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the EQB with such information as the EQB shall require to determine whether the new permittee can comply with the conditions of the permit. The EQB may authorize transfer of the permit after affording the Permittee, the new permittee, and interested persons such process as is required.

IX. REVOCATION OR SUSPENSION OF THE PERMIT

The Environmental Quality Board may initiate action to revoke or suspend this permit at any time. The EQB shall act in accordance with the requirements of Minnesota Rules part 4415.0205 to revoke or suspend the permit.

X. TERMINATION OF EQB JURISDICTION OVER THE PIPELINE

Upon determination by the Permittee that it has completed construction of the pipeline and implemented all applicable requirements of the permit conditions, the Permittee shall file with the EQB a written certification that the permitted pipeline construction has been completed in compliance with all permit conditions. The certification shall be considered by the EQB within 60 days of its filing. The EQB shall accept or reject the certification of completion and make a final determination regarding costs or reimbursements due. If the EQB rejects the certification, it shall inform the Permittee in writing of which deficiencies, if corrected, will allow the certification to be accepted. When corrections of the deficiencies are completed, the Permittee shall notify the EQB, and the EQB shall reconsider the certification at its next regularly scheduled meeting, provided the notification is received at least 20 days before the meeting. After acceptance of the certification by the EQB, the EQB's jurisdiction over the Permittee's pipeline routing permit shall be terminated. (Minnesota Rules part 4415.0207).

