

11/1/06

March 22, 2006

IRON RANGE
Resources
Advancing regional growth.



Christopher B. Clark
Assistant General Counsel
Xcel Energy Law Department
800 Nicollet Mall, Suite 2900
Minneapolis, MN 55402

RE: Mesaba Energy Project Inquiry of February 16, 2006

Dear Mr. Clark:

I am writing in response to your letter dated February 16, 2006, requesting additional information regarding infrastructure at the Taconite and Hoyt Lakes sites.

In my letter dated January 26, 2006, I explained the process by which Iron Range Resources Commissioner Layman determined that the two sites in question meet the requirements set forth in Minnesota Statute § 216B.1694, Subd. 1(3).

If I understand your latest inquiry, you want additional information about the existing and potential infrastructure at the two sites and any "weaknesses" of that infrastructure. In the table below, I have provided a summary of the infrastructure at the two sites.

	Taconite Site Infrastructure Summary	Hoyt Lakes Site Infrastructure Summary
Rail	The Range Expressway is south of the proposed plant footprint, along old Highway 169. A spur connection would have to be built to the plant.	There are rail lines to the east and the west of the proposed plant footprint. A spur connection would have to be built to the plant.
Gas	A direct tap to the existing Great Lakes pipeline, which consists of two parallel pipelines 36 inches in diameter, would be approximately 13 miles south of the proposed plant footprint. The existing Northern Natural Gas line is approximately 5 miles southwest from the proposed plant footprint.	The existing Northern Natural Gas Company line is less than one mile east of the proposed plant footprint. This line would have to be upgraded.



Iron Range Resources
4261 Highway 53 South
P.O. Box 441
Eveleth, MN 55734-0441
(218) 744-7400

Christopher B. Clark

March 22, 2006

Page 2

Transmission	The Minnesota Power Blackberry Substation would be the connection point for a transmission line from the proposed plant footprint. Two existing transmission corridors run within a half-mile of the proposed plant footprint. One route to Blackberry would be approximately 20 miles in length, running along existing right of way, with the second route of approximately 8 miles, including 6.5 miles of new right of way.	The Minnesota Power Forbes Substation would be the connection point for a transmission line from the proposed plant footprint. The circuit to Forbes would be approximately 71 miles long, and would require approximately 4 miles of new right of way.
Water	Sufficient water resources exist by appropriating water out the abandoned Canisteo, Hill-Annex and Lind Mine pits as well as the Prairie River.	Sufficient water resources exist by appropriating water out of Pit No. 6, Pit No. 2, Colby Lake and Pit No. 1 (effluent). Additional sources of water are available to the proposed plant footprint.
Wastewater	The wastewater from the plant will be treated in the nearby Taconite/Bovey municipal system.	The wastewater from the plant will be treated in the nearby Hoyt Lakes municipal system.
Highway	US Highway 169 runs to the south and County Highway 7 runs to west of the proposed plant footprint.	County Road 666 runs to the east of the proposed plant footprint. County Highway 110 runs to the south of the proposed plant footprint.

As part of the construction of the new power plant at either location there will, of course, need to be interconnection between the plant and the transmission system, road network, rail lines, water resources, waste water treatment facilities and gas pipelines.

I hope this letter addresses your concerns. As I explained before, these sites are well suited for the Mesabi Energy Project. Iron Range Resources is eager to move forward with the planning and construction of this project. If you have any other questions, please feel free to contact me.

Sincerely,



Brian Hiti
Deputy Commissioner