



Minnesota Pollution Control Agency

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August 6, 2014

Mr. Burl Haar, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Dear Mr. Haar:

RE: Enbridge Sandpiper Pipeline Project, Docket No PL 6668/PPL-13-474

The Minnesota Pollution Control Agency (MPCA) has reviewed the comments and recommendations submitted by the Department of Commerce (DOC) on July 16, 2014, which will be considered by the Public Utilities Commission (Commission) at the August 7, 2014, hearing for the Enbridge Sandpiper Pipeline project. The MPCA offers the following comments on the project and the DOC's July 16, 2014, recommendations.

The recent boom in the production of oil and gas in North Dakota and surrounding areas has brought about an increase in the number of planned and proposed projects in Minnesota for the transportation, storage, and processing of these resources and their related products and uses. This activity has increased citizen and Agency interest in the amount and quality of information available to adequately assess the individual and cumulative environmental impacts of these projects and to fully inform decision-making processes.

Many alternatives to the proposed Sandpiper project and route have been suggested in the routing (PPL-13-474) and certificate of need (CN-13-473) proceedings, including rail transport, trucking, and numerous pipeline routes. The Commission will determine which alternatives are to be addressed in greater detail as the environmental review, certificate of need, and permitting processes move forward.

Given the high potential of additional pipelines and replacement or upgrading of existing pipelines in the near future, and within the same corridors, it is critical that the current effort consider multiple alternatives, including both route and system alternatives. For the reasons outlined below, limiting the alternatives to route options alone at this stage would unnecessarily narrow the scope of project options to reduce environmental and public health risks.

In our comments, the MPCA has suggested both route and system alternatives; these are discussed in the DOC's July 16, 2014, filing. I am concerned that the system alternative recommended for consideration by the MPCA may not be evaluated in these proceedings, since it does not include the Clearbrook terminal. The DOC evaluated the MPCA's system alternative, SA-03, and developed a connector segment to Clearbrook that would convert SA-03 into a route alternative. The MPCA supports inclusion of the SA-03 route with the connector segment developed by DOC as a less environmentally harmful route alternative than the proposer's route.

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The MPCA's view is that the environmental impacts of system alternatives need to be considered as well as route alternatives. A system alternative that will transport oil to an alternative terminal with significantly less environmental harm should be evaluated in these proceedings.

My understanding is that system alternatives are considered in the Certificate of Need (CN) proceeding for this project. I also understand that DOC conducts environmental review of system alternatives in High Voltage Transmission Line certificate of need proceedings in the form of an Environmental Report (ER), but that this review is not conducted for pipeline certificate of need proceedings. The MPCA respectfully requests that the Commission request the DOC to prepare an ER-type review of alternatives to the project, including SA-03 as originally proposed by the MPCA without the connector segment to Clearbrook, for introduction into the CN proceeding. This position is based on MPCA's understanding as follows:

1. The project purpose can be met without constructing new storage capacity in Clearbrook. If the new terminal were to be built at a more westerly location, such as Crookston, a 75-mile long pipeline to Clearbrook could be constructed for the purpose of sending the oil that Enbridge is contractually obligated to send through Clearbrook (for transport to St. Paul refineries), while the remainder of the Bakken crude could be sent via a less environmentally harmful route well to the south of the sensitive water resources, and then on to the Superior, Wisconsin terminal.
2. Locating terminal facilities near Crookston, or at another site closer to the border of North Dakota, could offer other pipeline routes as viable alternatives, such as the proposed "System Alternatives" identified in the July 16, 2014, DOC recommendations. A terminal closer to the Minnesota/North Dakota border could be the point of origination for future pipelines that would travel to the south and avoid the potential threat to sensitive water resources that the MPCA has identified as being associated with the currently proposed Sandpiper route.

Thank you for consideration of our request.

Sincerely,



John Linc Stine
Commissioner

JLS:bt