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April 13, 2016

Larry Hartman, Environmental Review Manager
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

Re: In the Matter of the Application of Minnesota Energy Resources Corporation for a Route Permit for the Rochester Natural Gas Pipeline Project in Olmsted County
Public Utilities Commission (PUC) Docket Number: G-011/GP-15-858

Dear Mr. Hartman:

The Minnesota Department of Natural Resources (DNR) has reviewed the Application for a Route Permit for the Rochester Natural Gas Pipeline. Please consider the following scoping comments for the Comparative Environmental Analysis (CEA):

The DNR provided early coordination comments on the proposed project in August 2014 (attached) that identified several sensitive, rare, and valuable features within the project area. These include Sites of Biodiversity Significance, noted areas of high biological diversity, rare feature records, calcareous fens, karst features, DNR public waters, native plant communities – ranked S3-vulnerable and Si – critically imperiled. Several of the species records or rare features are protected under Minnesota laws. These resources, locations of and potential impacts to, should be fully explored and considered in the CEA and in route selection. Greenfield crossings of a route or route alternative should be avoided, particularly if it would impact any of these resources or fragment habitat.

During early coordination, the DNR also advised the project proposer to contact the DNR Endangered Species Review Coordinator, Lisa Joyal for concurrence of the Natural Heritage Information System review. This has not been completed to date. A Geographic Information System (GIS) shapefile should be provided with this concurrence request to aid in the review.

The Route Permit Application should address potential impacts to all state-listed species, not just threatened and endangered species. Surveys for rare species should be coordinated with Lisa Joyal, Endangered Species Review Coordinator at 651-259-5109. Please note that survey proposals should be submitted to Lisa Joyal for DNR review prior to initiating any rare species surveys.

Pertaining to calcareous fens (seepage meadows, wet seepage prairies), direct or indirect impacts to these resources are regulated by the DNR. In accordance with the Minnesota Wetland

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Conservation Act, these features may not be drained, wholly or partially, by any activity unless the DNR, under an approved management plan, decides the alteration is necessary (Minnesota Statutes 103G.223). It should be noted that it is extremely rare that an activity warrants approval by the DNR to impact these resources. These features also likely contain state-listed plant species which would be protected and regulated under Minnesota's endangered species law (Minnesota Statutes 84.0895).

Several of the route segments would involve the crossing of a DNR public water, wetland, or land. These crossings would require a DNR License to Cross. The license application should include how the impacts to public waters or lands would be minimized and how the proposed activity complies with Minnesota Rules Chapter 6135 (<https://www.revisor.mn.gov/rules/?id=6135>). The proposer should note that a DNR License to Cross is a process outside of the Public Utilities Commission (PUC) and a permit granted from the PUC does not assure the approval of a DNR License to Cross. DNR recommendations and comments made during the PUC process are considered and carried forward in DNR License to Cross review.

Based on information provided within the Route Permit Application, the DNR offers the following feedback on the preferred and alternate routes. It should be noted that when provided with current GIS shapefiles (through coordination with Lisa Joyal), a more detailed analysis and route preference or suggestion of route or route combination Both the Preferred and Alternative routes would impact or potentially impact several sensitive or rare features. Segment 2 Alternative appears to be a greenfield crossing. When considering the two routes, a route that follows an existing disturbed corridor would help to minimize some of these impacts. Further coordination with DNR, specifically Lisa Joyal, would help to further evaluate potential impacts and avoidance measures for this Segment.

All routes within Segment 3 are in close proximity to karst features and state-listed species and would likely result in impacts to native plant communities ranked as being in imperiled status. A combination of portions of the preferred, alternative or considered route for this route segment may be the best way to avoid and minimize impacts. As stated above, greenfield crossings are not generally preferred and should be weighed considering specific impacts along all routes depicted in Segment 3.

Segment 4 preferred route appears to be a greenfield crossing. The alternative route appears to follow an existing disturbed corridor that may be preferable (following further review of GIS shapefiles and resource records and locations). Where these two potential routes meet and follow the same greenfield corridor, the DNR would encourage evaluation of a new route section that would extend from the alternate route and follow the existing disturbed corridor to the east and then north to the District Regular Station "polygon" location.

The District Regular Station includes several state-protected resources in which direct or indirect impacts are not allowed in accordance with state law. As stated by the proposer, the DNR has had follow up conversations with the proposer to help refine the location for the District Regular Station "polygon" as depicted in the Route Permit Application; however, a more detailed analysis is necessary. These discussions need to include coordination with Lisa Joyal and potentially other DNR technical staff as necessary when additional, more specific details are provided for the District Regular Station. The DNR would also request information regarding

options for locations of this “polygon.” For example, is there another possible location that could be considered?

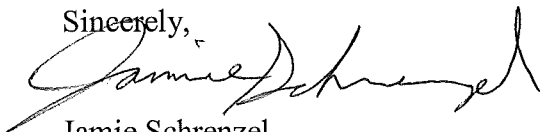
The CEA should include an assessment of horizontal directional drilling as a mitigation measure for any impacts to native plant communities, Minnesota Biological Survey Sites of Biodiversity Significance, areas with rare plant species, or any other sensitive environmental feature found in surveys or CEA analysis.

The CEA should include a description of where wildlife friendly erosion control will be used. The DNR recommends use of wildlife friendly erosion control wherever possible, with a focus on areas with higher amphibian use, water crossings, near wetlands, and rare species habitat. Please see the attached information regarding wildlife friendly erosion control.

For the record, the DNR recently replied to a request for additional information pertaining to some of the Minnesota Biological Sites located within the project area. That correspondence is included as an attachment.

Thank you for considering these comments regarding the Rochester Natural Gas Pipeline. Please contact me with any questions.

Sincerely,



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

Enclosures: 3

cc: Michael Kaluzniak, Public Utilities Commission
Rick J. Moser, Minnesota Energy Resources Corporation