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October 7, 2016

VIA EFILING

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, Docket No. G011/GP-15-858
Comments on the Comparative Environmental Analysis

Dear Mr. Hartman:

Minnesota Energy Resources Corporation (MERC) provides these comments on the Draft Comparative Environmental Analysis (CEA) for the Rochester Natural Gas Pipeline Project (Project) released on September 16, 2016. MERC requests that the Department of Commerce, Environmental Review and Analysis (EERA) respond to the following topics in EERA's pre-filed testimony. MERC does not believe it is necessary to reissue or revise the CEA.

Human Settlement

Although not listed explicitly as a criteria the Commission must consider when issuing a Route Permit¹, EERA identified Property Values as a topic for discussion in the CEA under Human Settlement² and has typically included a section on Property Values in its environmental review documents.³ MERC requests that EERA include in its pre-filed testimony, to be filed on October 24, 2016, a discussion of the proposed Project's potential effects and proposed mitigation measures related to Property Values.

MERC also requests that EERA correct one minor error related to the location of Route Segment 16 in relation to the Von Wald Group Home. Page 76 of the CEA discusses

¹ Either under Minnesota Rule 7852.1900 for a pipeline or under Minnesota Rule 7850.4100 for electric high voltage transmission lines.

² EERA Comments and Recommendations on the Scope of the CEA at Attachment 2 at Page 5.

³ See *In the Matter of the Application of ITC Midwest LLC for a Route Permit for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota*, Docket No. ET6675/12-1337, FINAL ENVIRONMENTAL IMPACT STATEMENT at 59 (July 2014); *In the Matter of the Application of North Dakota Pipeline Company LLC for a Route Permit for the Sandpiper Pipeline Project in Minnesota*, Docket No. PL6668/PPL-13-474, ENVIRONMENTAL SCOPING DOCUMENT at 10 (Nov. 13, 2015).

the Von Wald Group Home, located on County Road 8 SW between 42nd Street SW and 48th Street SW in Rochester Township. While the CEA correctly notes that Route Segment 5P runs adjacent to this property, it omits that Route Segment 16 also runs adjacent to this property. Route Segment 5P follows County Road 8 and the anticipated alignment is located on the east side of the road whereas the Group Home is located on the west side of that road. Route Segment 16 follows the southern property line of the Von Wald Group Home.

Construction Protocol

While the CEA thoroughly describes the intended construction protocol for the proposed Project, there are a few items that are either not described entirely accurately or require some additional clarification and/or context.

Page 23 of the CEA explains the proposed Project permanent right-of-way and describes it as 50 feet with “approximately 25 feet to each side of the proposed pipeline centerline.” MERC may place the proposed pipeline anywhere within the 50-foot permanent right-of-way, so long as a minimum of five feet between the pipeline centerline and the edge of the permanent right-of-way are maintained. This may be done to accommodate existing underground or aboveground infrastructure, potential future road right-of-way expansion, or to provide sufficient room to locate a future natural gas service pipeline.

On pages 30 and 36, the CEA states that all topsoil spoil piles will be covered during construction. MERC will comply with all National Pollution Discharge Elimination System construction Stormwater Best Management Practices required for the proposed Project, which do not require covering topsoil spoil piles. MERC does not, however, intend to cover all topsoil piles during construction activities. MERC does not intend to remove topsoil until the welded pipe is ready for placement in the trench. MERC intends to clear the right-of-way, stage and weld the pipe, excavate the trench (including separating topsoil and sub-soil), place the pipe in the trench, replace sub-soil and topsoil, and then complete revegetation.

On page 34 of the CEA, the workspaces necessary for horizontal directional drilling (“HDD”) are first discussed. The CEA explains, correctly, that two work spaces are needed for each area where HDD is to be used along the proposed Project. MERC wishes to clarify, however, that the area to be excavated at each HDD work space is anticipated to be approximately 225 square feet. MERC will require a work space larger than 225 square feet to stage equipment for the drilling, but only 225 square feet will be excavated. MERC will work with the underlying landowner on negotiating permission for an area of appropriate size for staging equipment for each HDD work space. These work spaces will need to be at least 20,000 square feet in total size, although some HDD work spaces may need to be larger depending on the length, depth, and angle of the HDD.

Page 31 of the CEA reads, “HDD or boring may be used at road, paved driveway, wetland, and waterway crossings.” Additionally, the CEA provides that “Unpaved

roadways would be crossed by boring or HDD.” While it is MERC’s intent to use boring or HDD to minimize impacts to both roadways and paved driveways, if a landowner (paved driveway) or a local road authority (unpaved road) is agreeable, trenching will be used instead of HDD or boring to reduce overall construction costs for the proposed Project. If a landowner (paved driveway) or a local road authority (unpaved road) is not agreeable to trenching, HDD or boring will be used. And, as discussed on page 35 of the CEA, if HDD of a wetland or waterway is not reasonable, the trench method may be used and MERC will coordinate with the Minnesota Department of Natural Resources and the U.S. Army Corps of Engineers as appropriate.

On pages 87 to 88, the CEA discusses potential liabilities associated with contaminated properties and focuses on the liabilities associated with discovering existing contamination after acquiring fee ownership or acquiring fee ownership knowing of, and accepting, the potential liability. MERC intends to acquire only easements for the proposed Project, but may acquire fee ownership of Town Border Station or District Regulator Station sites if agreeable by the landowner. Prior to acquiring fee ownership, MERC would complete necessary Phase 1 environmental site assessments to evaluate the likelihood or presence of existing contamination and would address any existing contamination as part of fee ownership negotiations for those three sites. For the 13-mile pipeline for the Project, MERC will acquire easements across property and the landowner would be responsible for potential cleanup costs associated with any existing contamination. In the event that, during construction activities undertaken by MERC or its contractor result in contamination of property, MERC or its contractor would then be responsible for cleanup costs associated with that contamination.

Right-of-Way Vegetation

Page 30 of the CEA states that the 100-foot construction area, which includes the 50-foot permanent right-of-way and the 50-foot temporary right-of-way, “will be cleared and graded” during construction. As discussed on page 107 of the CEA, however, impacts to vegetation may be minimized where HDD is utilized. The primary concerns with leaving woody vegetation in the permanent right-of-way over a pipeline are future operation and maintenance inspections or activities and the potential for a lightning strike of woody vegetation to travel down a root system and impact the pipeline. In the event HDD is utilized through an area with woody vegetation, all woody vegetation would be removed in an area measuring five feet on either side of the pipeline centerline, at a minimum. Certain shrub species may be allowed to remain in this area. The vegetation in the remainder of the permanent right-of-way (approximately 40 feet) would be left unless removal was required due to placement of a service natural gas pipeline in the future.

Also on page 30, the CEA states that “Burning of slash, brush, stumps, or other project debris is prohibited.” While this language is consistent with the language found on page 51 of MERC’s Route Permit Application for the proposed Project, MERC would like to retain the ability to burn slash, brush, or stumps due to clearing of the Project right-of-way in the event it is requested by, or agreeable to, the landowner. Burning of these materials would not occur unless agreed to by the landowner.

7852.1900 - Relative Merits Analysis

Chapter 6 of the CEA discusses the Relative Merits of the Segment Alternatives analyzed in the document. Minnesota Rule 7852.1900(E) directs the Commission to consider “pipeline cost and accessibility” when determining a pipeline route. The CEA states that this criteria “is considered equal” for all Segment alternatives. Although many of the Segment Alternatives are equal, there are unique considerations that should be given to Segment Alternatives CD-2, DE-2, EF-2, EG-2, EG-3, EG-4, IJ-3, and IJ-4.

Segment Alternatives CD-2, DE-2, EF-2, EG-2, EG-3, and EG-4 all, in some form, follow the existing BP Pipeline, a liquid petroleum pipeline constructed in the late 1940s.⁴ This pipeline was constructed prior to the implementation of federal or state standards for petroleum pipeline depth of cover. During both of the Public Information Meetings held for the proposed Project (February 29, 2016 and September 28, 2016), landowners commented that the BP Pipeline was located at varying depths of cover along its length and some commented that field or farm equipment had encountered the pipeline in recent years. Based on this information, any alternative that would follow any portion of the BP Pipeline would pose unique challenges for accessibility, both for construction and maintenance purposes, when compared to other alternatives in these areas. Any of these Segment Alternatives would also require more separation between the BP Pipeline and the proposed Project, resulting in additional impacts for the landowner’s property. Construction accessibility would also be challenging as matting over the BP Pipeline right-of-way would also be necessary to minimize any possibility for contact with, or damage to, the BP Pipeline. Finally, any future maintenance activities could be challenging as vehicle traffic would not be able to traverse the BP Pipeline without additional matting.

Segment Alternatives IJ-3 and IJ-4 are likely to increase the cost of the Project by at least five times over other comparable segments given the commercial development present along 48th Street SW and Fern Avenue SE. Construction costs would also increase because of the additional costs associated with spotting utilities in these highly developed areas.

Conclusion

MERC believes that these clarifications do not substantively change the environmental analysis completed in the CEA. The CEA does not need to be reissued based on these comments. These items can all be addressed in pre-filed testimony by EERA and other parties, post-hearing briefing, the Report of the Administrative Law Judge, and the final Order and Route Permit issued by the Commission.

⁴ The easements for this pipeline date back to 1946 and residents state that the pipeline was constructed in approximately 1947.

Thank you for the opportunity to provide comments on the CEA. If you have any questions, please don't hesitate to contact me at 651-322-8965.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Amber S. Lee', written in a cursive style.

Amber S. Lee
Regulatory and Legislative Affairs Manager

cc: Service List

In the Matter of the Petition of Minnesota
Energy Resources Corporation for a
Route Permit for the Rochester Natural
Gas Pipeline Project in Olmsted County

Docket No. G011/GP-15-858
OAH Docket No. 8-2500-33180

CERTIFICATE OF SERVICE

I, Jill N. Yeaman, hereby certify that on the 7th day of October, 2016, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed **Comments on the Comparative Environmental Analysis** on www.edockets.state.mn.us. Said document was also served via U.S. mail and electronic service as designated on the attached service list.

/s/ Jill N. Yeaman

Jill N. Yeaman

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