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EQB MONITOR

ENVIRONMENTAL ASSESSMENT WORKSHEETS

EAW Comment Deadline: December 16, 2009

Project Title: Virginia Expansion of the Iron Range Off-highway Vehicle Recreation Area

Description: The Minnesota Department of Natural Resources (MDNR) proposes to develop a 2,704 acre expansion to the existing Iron Range Off-highway Vehicle Recreation Area (OHVRA), Gilbert, Minnesota. The proposed expansion site is located one mile north of the existing Iron Range OHVRA, partially within the City of Virginia, Minnesota. The Virginia Expansion site will be managed out of the existing facility, which will be linked to the expansion area by a connector road. This proposed expansion includes the development of the connector road, a core trail system, vehicle-specified trails, and perimeter fencing.

The MDNR will accept written comments on the Environmental Assessment Worksheet during the public review and comment period, which concludes Wednesday, December 16, 2009 at 4:30 p.m.

Written comments should be submitted to Ronald Wieland, EAW Project Manager, Environmental Policy and Review Unit, Division of Ecological Resources, Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota, 55155-4025. Electronic or e-mail comments may be sent to environmental.review@dnr.state.mn.us with "Virginia OHVRA" in the subject line. If submitting comments electronically, please include your name and mailing address.

Public review copies of the EAW are available at the following locations:

- Minneapolis, Public Library, Government Documents, 300 Nicollet Mall, Minneapolis, Minnesota 55401;
- MDNR Library, 500 Lafayette Road, St. Paul, MN 55155;

The *EQB Monitor* is a biweekly publication of the Environmental Quality Board that lists descriptions and deadlines for Environmental Assessment Worksheets, Environmental Impact Statements, and other notices. The *EQB Monitor* is posted on the Environmental Quality board home page at <http://www.eqb.state.mn.us/>.

Upon request, the *EQB Monitor* will be made available in an alternative format, such as Braille, large print, or audio tape. For TTY, contact Minnesota Relay Service at 800-627-3529 and ask for Department of Administration. For information on the *EQB Monitor*, contact:

Minnesota Environmental Quality Board
658 Cedar St., 300 Centennial Office Building
St. Paul, MN 55155-1388
Phone: 651-201-2480
Fax: 651-296-3698
<http://www.eqb.state.mn.us>

- MDNR Northeast Regional Headquarters (Region 2), 1201 E. Highway 2, Grand Rapids, MN 55744;
- Arrowhead Regional Library, Duluth Public Library, 520 W Superior St., Duluth, MN 55802;
- Virginia Public Library, 215 5th Ave S, Virginia, MN 55792; and
- Gilbert Public Library, 17 N Broadway, P.O. Box 75, Gilbert, MN 55741-0758.

The EAW is also posted on the MDNR's website at www.dnr.state.mn.us. (Click on "Public Input", then select "Virginia OHVRA" from the scroll-down list under "Environmental Review"). Additional copies may be requested by calling (651-259-5157).

RGU: The Minnesota Department of Natural Resources

Contact Person:

Ronald Wieland
EAW Project Manager
Environmental Policy and Review Unit
Division of Ecological Resources
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Project Title: Lawndale Creek Habitat Enhancement Project

Description: The Minnesota Department of Natural Resources proposes a stream enhancement project to improve habitat for trout and associated cold-water organisms in Lawndale Creek. The proposed project will convert the abandoned State Ditch 14 into 18,566 feet of meandered stream channel with instream habitat features. Lawndale Creek would then be diverted from its current location in County Ditch 40 to the newly created stream channel.

The MDNR will accept written comments on the Environmental Assessment Worksheet during the public review and comment period, which concludes Wednesday, December 16, 2009 at 4:30 p.m.

Written comments should be submitted to Randall Doneen, EAW Project Manager, Environmental Policy and Review Unit, Division of Ecological Resources, Department of Natural Resources, 500 Lafayette Road, St. Paul, MN 55155-4025. Electronic or email comments may be sent to environmental.review@dnr.state.mn.us with "Lawndale Creek EAW" in the subject line. If submitting comments electronically, please include your name and mailing address.

Public review copies of the EAW are available at the following locations:

- MDNR Library, 500 Lafayette Road, St. Paul, MN 55155;
- MDNR Regional Headquarters, 2115 Birchmont Beach Rd NE, Bemidji, MN 56601;
- Minneapolis Public Library, Government Documents, 300 Nicollet Mall, Minneapolis, MN 55401;
- Fergus Falls Public Library, 205 E Hampden, Fergus Falls, MN 56537.

The EAW is also posted on the MDNR's website at www.dnr.state.mn.us. (Click on "Public Input", then select "Lawndale Creek EAW" from the scroll-down list under "Environmental Review"). Additional copies may be requested by calling (651) 259-5156.

RGU:**Contact Person:**

Randall Doneen
EAW Project Manager
Environmental Policy and Review Unit
Division of Ecological Resources
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

AUAR UPDATE AVAILABLE

Project Title: Caribou Lake Area Alternative Urban Area-Wide Review – Update

Description: The original Caribou Lake Area AUAR was completed and approved in 2004, and is now in need of an update in accordance with MN Rules Chapter 4410.3610 Subp. 7(a). Since the time of initial adoption of the AUAR, one non-riparian residential development of 20 lots over 157 acres was approved within the Caribou Lake AUAR watershed area. This residential development had been the proposal that triggered the Cook County Board of Commissioners to initially pursue the environmental review, and the development was modified to a lesser density as a result of the AUAR findings. No additional development projects have been proposed for this area, and it is anticipated that there will be no further development proposals over the next five year period. After a review of the original document and mitigation plan, the Cook County Board of Commissioners determined that the adopted mitigation measures have demonstrated to be adequate in protecting the Caribou Lake Watershed, and the water quality of Caribou Lake has exhibited noticeable improved since the adoption of the AUAR. The Board of Commissioners further determined to re-adopt the original document for another five year period without changes.

A copy of the original AUAR is available for review during regular business hours at the Cook County Planning and Zoning Department of the Cook County Courthouse at 411 West Second Street, in Grand Marais, Minnesota. Electronic copies of the AUAR document are also available upon request, and may be viewed at the following Cook County website address: www.co.cook.mn.us

Written comments must be submitted to the following address, and will be accepted until November 30, 2009.

RGU: Cook County, Minnesota

Contact Person:

Timothy Nelson, Planning Director
Cook County Planning & Zoning
411 West Second Street

Grand Marais, MN 55604
 Phone: (218) 387-3630
 Email: tim.nelson@co.cook.mn.us

NOTICES

Minnesota Department of Natural Resources

RECLAMATION PROJECTS PLANNED FOR LAKES – DNR DIVISION OF FISH & WILDLIFE

The DNR Division of Fish & Wildlife is planning one muskellunge rearing pond reclamation project this fall. The project involves the application of rotenone, a federal and state registered pesticide, to eliminate or reduce less desirable fish species. Following treatment ponds will be stocked with muskellunge fry. Endangered or threatened species are not present in any of the lakes or ponds. Project goals include improved fish habitat, expanded angling opportunities, and increase walleye fingerling production. Specifics regarding the projects are as follows:

Muskellunge rearing pond reclamation. One pond is proposed to be treated in the fall for the purpose of removing unwanted fish populations. This alteration will allow the ponds to be used for raising muskellunge fingerlings, which later be stocked into local fishing lakes. Rotenone will be used with a target concentration of 3.5 ppm.

Lake Name	County	Township	Range	Section
Kost Pond (DOW 13-0038)	Chisago	35N	20W	28

For general information about any of these projects, contact John Hiebert, Warmwater Habitat Consultant, Box 20, 500 Lafayette Road, St. Paul, MN 55155.

Minnesota Department of Natural Resources

CEDAR ISLAND LAKE RECLAMATION PROJECT PLANNED

CILHA with the Department of Natural Resources Fish and Wildlife Division

CILHA and DNR Division of Fish & Wildlife is planning rotenone treatments on Cedar Island Lake and Six Drainage ponds surrounding the lake.

This project will include the application of 2.5% synergized liquid rotenone, a federally and state registered pesticide to control bull heads. The chemical application will occur in sometime between November 21st, 2009 and Dec. 15th 2009 most likely around the Nov. 30th, weather permitting. Rotenone distribution will be done

aerially, by backpack sprayer and by drip. Target treatment concentration will be a 3-5 ppm of 2.5% liquid rotenone or a similar concentration of powdered rotenone, or a combination of liquid and powder. Smaller wetlands, ditches or drain tile outlets connected to the above lakes and wetland maybe treated if necessary. Endangered or threatened species are not known to be present in any of these lakes or wetlands.

This project is not anticipated to have any long-term negative effects on any of endangered or threatened species. Project goals include treating the undesirable fish species, Bull heads, in order to improve wildlife habitat and water quality in these water bodies. This lake and wetland complex serves as a source of bull heads to downstream lakes. Down-stream lakes should benefit from better water quality including Eagle lake and Pike. Also treat will be six city ponds that have the same problem.

For general information about any of these projects contact the CILHA, Patrick Olek, pat@asgmn.com

Public Meeting Notice – North Central Regional Landscape Committee Minnesota Forest Resources Council

The North Central Regional Landscape Committee of the Minnesota Forest Resources Council (MFRC) will meet on Wednesday, November 18, 2009, from 9:30 a.m. – 3:00 p.m. in Grand Rapids at the Forest History Center.

For more information, please contact Lindberg Ekola at 320-256-8300 or go to the calendar on the MFRC website at <http://www.frc.state.mn.us>.

STATE OF MINNESOTA Office of Energy Security

NOTICE OF PUBLIC HEARING

**In the Matter of the Route Permit Application for a 345 kV Transmission Line from Brookings County,
South Dakota to Hampton, Minnesota**

PUC Docket Number: ET2/TL-08-1474

PLEASE TAKE NOTICE that public hearings will be held on behalf of the Minnesota Public Utilities Commission (Commission) on the Great River Energy and Xcel Energy route permit application for a new 345 kV transmission line facility. The public hearings will be held at the times and locations listed below. Ending times reflect the latest a public hearing will run. Hearings may conclude earlier where all attendees have had the opportunity to comment and all other business has been concluded.

PUBLIC HEARING DATES & LOCATIONS

November 30, 2009 (Monday)	2:30 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Prairie's Edge Casino & Resort 5616 Prairie's Edge Lane Granite Falls, MN 56241
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December 1, 2009 (Tuesday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Best Western 1500 East College Drive Marshall, MN
December 2, 2009 (Wednesday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Redwood Area Community Center 901 Cook Street Redwood Falls, MN
December 3, 2009 (Thursday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Winthrop Veterans Club 206 North Main Street Winthrop, MN
December 7, 2009 (Monday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Brass Top Hall/Hog Wild Saloon 514 Main Street Henderson, MN
December 8, 2009 (Tuesday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Lonsdale American Legion 115 2 nd Avenue Northwest Lonsdale, MN
December 9, 2009 (Wednesday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Park Ballroom/American Legion 300 Lexington Avenue New Prague, MN
December 10, 2009 (Thursday)	1:00 P.M. – 5:00 P.M. & 7:00 P.M. – 10:00 P.M.	Holiday Inn Hotel & Suites 20800 Kenrick Avenue Lakeville, MN
December 11, 2009 (Friday)	9:30 A.M. – 12:30 P.M.	Holiday Inn Hotel & Suites 20800 Kenrick Avenue Lakeville, MN

*Evidentiary Hearings begin at 9:30 A.M. each day from December 15 to 18, 2009, at the Minnesota Public Utilities Commission, 121 7th Place East, St. Paul, MN 55101.

Administrative Law Judge. Administrative Law Judge (ALJ), Richard C. Luis will preside at the hearings. His address and contact information is: Office of Administrative Hearings, P.O. Box 64620, 600 North Robert Street, St. Paul, Minnesota 55164-0620, Phone: (651) 361-7900, Fax: (651) 361-7936, email: capx.oah@state.mn.us.

Written Comments. Written comments regarding the route permit should be submitted directly to Judge Luis. Comments may be submitted by U.S. Mail, Fax or email. Comments will be accepted through January 15, 2010, and should include the Office of Administrative Hearings Docket Number: 7-2500-20283-2. Mailed comments must be post marked by that date. Faxed, emailed, and delivered comments must be received by 4:30 P.M. that date.

Purpose of Hearing. The purpose of the public hearing is to compile the record for the Commission to consider in making a final decision on the transmission line route permit request. The ALJ will write a report and make a recommendation to the Commission on which route to authorize and on any appropriate permit conditions. The Commission will make a final decision on the route permit at a subsequent Commission hearing.

Project Description. Great River Energy and Xcel Energy (applicants) propose to construct and operate a 345 kV transmission line, approximately 237 miles long, beginning at the state's western border near Hendricks, Minnesota, and ending south of the Twin Cities metro area near Hampton, Minnesota. The applicants have

proposed two possible routes for the transmission line, a preferred and alternate route. These routes cross portions of the following counties: Lincoln, Lyon, Yellow Medicine, Chippewa, Redwood, Brown, Renville, Sibley, Le Sueur, Scott, Rice, and Dakota.

Route Permit. Under the Power Plant Siting Act (Minn. Stat. 216E, subd. 2), a route permit from the Commission is required to build a high-voltage transmission line. A high-voltage transmission line is a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kilovolts (kV) or more and is greater than 1,500 feet in length. A route permit application for the proposed 345 kV transmission line project was filed by the applicants on December 29, 2008, and was accepted as complete by the Commission on January 29, 2009. The Office of Energy Security (OES) staff prepared a Draft Environmental Impact Statement (EIS) on the proposed project. As outlined in the EIS Scoping Decision Document, the Draft EIS discusses potential impacts of the project, evaluates alternatives, and suggests mitigation.

Electronic versions of the Route Permit Application, Scoping Decision Document, Draft EIS and other documents relevant to this matter are available for viewing and download on the Commission's website at: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19860> or eDockets at: <https://www.edockets.state.mn.us/EFiling/search.jsp> ("08" year and "1474" number).

Office of Administrative Hearing Rules. The ALJ will conduct the contested case hearings in accordance with Minnesota Statutes, Chapter 14, and the Office of Administrative Hearings procedural rules for the Commission's energy facility permitting process (Minnesota Rules, Chapter 1405). The applicable statutes and rules are available on the Office of the Revisor of Statutes webpage at: <https://www.revisor.leg.state.mn.us/index.php>. Statutes and rules may also be purchased at Minnesota's Bookstore, 660 Olive St., St. Paul, Minn. 55155, phone (651) 297-3000.

Conduct of Hearing. At the start of each hearing session, the ALJ will explain the procedural rules for the hearing, including the sequence for providing testimony and questioning witnesses. Members of the public will be allowed to participate without the necessity of intervening as a party. Representation by legal counsel is permitted but not required. Participation includes: a) offering direct testimony; b) offering testimony or other material in written form at or following the hearing; and c) questioning witnesses.

Any person who wishes to question a witness, but does not want to ask the questions, may submit questions in writing to the ALJ, who will then question the witness. Questions may be submitted during the hearing or may be sent to the ALJ in advance of the hearing. A transcript of the proceedings will also be available on request.

Continuation of Hearing. The ALJ may elect to recess the hearing and set additional days for hearing, if necessary.

Identified Parties. The parties to this proceeding identified on the date of this Notice are as follows:

Applicants

Craig Poorker, Great River Energy, 12300 Elm Creek Boulevard, Maple Grove, MN 55369-4718, 1-888-473-2279, cpoorker@grenergy.com.

Pamela Rasmussen, Xcel Energy, P.O. Box 9437, Minneapolis, MN 55440-9437, 1-800-238-7968, pamela.jo.rasmussen@xcelenergy.com.

Intervenors

Paula Maccabee, Attorney at Law, 1961 Selby Avenue, St. Paul, MN 55104 (on behalf of Robert and Patricia Johnson).

Joyce Osborn, P.O. Box 1165, Burnsville, MN 55337 (on behalf of United Citizens Action Network or U-CAN).

Carol Overland, Attorney at Law, Overland Law Office, P.O. Box 176, Red Wing, MN 55066 (on behalf of No CapX 2020 and U-CAN).

Project Contacts. If you have questions or would like further information about this project please contact OES staff. Scott Ek (scott.ek@state.mn.us, (651) 296-8813) is the project manager and Ray Kirsch (raymond.kirsch@state.mn.us, (651) 296-7588) is the public advisor. The public advisor is available to answer questions about the permitting procedures and how to effectively participate in the process, but does not provide legal advice. The address for staff is: Minnesota Office of Energy Security, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

OES Legal Counsel. Karen Finstad Hammel, Minnesota Attorney General's Office, 1400 Bremer Tower, 445 Minnesota Street, St. Paul, MN 55101-2127, Phone (651) 297-1852, Fax (651) 297-1138, karen.hammel@state.mn.us.

This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651-201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

**STATE OF MINNESOTA
Office of Energy Security**

**NOTICE OF DRAFT SITE PERMIT ISSUANCE
AND
PUBLIC INFORMATION MEETING**

**In the Matter of Site Permit Application for a 20 Megawatt Large Wind Energy
Conversion System in Stevens County, Minnesota**

PUC Docket No. IP-6824/WS-09-830

PLEASE TAKE NOTICE that the Minnesota Department of Commerce Office of Energy Security (OES) will hold a public information meeting on the application by West Stevens Wind, LLC, to the Minnesota Public

Utilities Commission for a site permit to build and operate a 20 megawatt large wind energy conversion system (LWECS) near Chokio, Minnesota.

PUBLIC INFORMATION MEETING

Monday, November 23, 2009 – 6:00 P.M.

Best Northland Prairie Inn
Cougar Meeting Room
200 East State Highway 28
Morris, Minnesota

The purpose of the public information meeting is to provide information about the proposed project and to solicit public comment on the site permit application submitted by West Steven Wind and the draft site permit issued by the Minnesota Public Utilities Commission (Commission). OES staff will provide an overview of the state's wind energy site permitting process and the draft site permit. Representatives of West Stevens Wind will be present to answer questions about the proposed project.

Public Comments. In addition to receiving comments at the public information meeting the OES will also accept written comments on the proposed project, site permit application, and draft site permit until **4:30 P.M., Wednesday, December 16, 2009**. Please include Docket Number IP-6824/WS-09-830 on your comments. Comments should be mailed, faxed, or emailed to:

Scott Ek
Minnesota Office of Energy Security
85 7th Place East, Suite 500 | St. Paul, Minnesota | 55101-2198
Fax: (651) 297-7891 | email: scott.ek@state.mn.us

Project Description. The project is a proposed 20 megawatt wind farm to be located on approximately 2,880 acres of agricultural land in Everglade Township just northwest of the city of Chokio in Stevens County, Minnesota. The project would consist of the following: approximately 13 turbines (depending upon specifications), permanent meteorological tower, project substation, transmission line interconnection point, and permanent access roads. As indicated in the site permit application, the applicants intend on commencing construction of the LWECS in February 2010, with completion by June 2010.

Review Process. The OES, on behalf of the Commission, is initiating the permit review process for this project under the Wind Siting Act (Minnesota Statutes, Chapter 216F) and the Wind Permitting Rules (Minnesota Rules 7854).

West Stevens Wind filed an application with the Commission for a site permit to build and operate a LWECS near Chokio, Minnesota. The Commission accepted the site permit application as complete on September 8, 2009. The OES solicited comments on issues to be considered in developing a draft site permit for this project until September 30, 2009. Staff prepared a draft site permit for consideration by the Commission. On October 23, 2009, the Commission issued an Order approving the draft site permit for distribution and public comment and authorized the OES to implement the public participation process outlined in Minnesota Rules 7854.0900.

Upon completion of this process, the OES will present the record of this matter to the Commission for a final permit decision. Under the LWECs siting process, environmental review is incorporated into the development of the site permit application and the site permit itself; there is no separate environmental review document prepared on the project.

Contested Case Hearing Request. Any person may request a more formal contested case hearing on the site permit proceeding for the LWECs pursuant to Minnesota Rules 7854.0900. All contested case hearing requests must be filed with Mr. Ek in writing by 4:30 P.M. on December 16, 2009. The person requesting the contested case hearing must list the issues sought to be addressed in the hearing and the reason why a contested case hearing is required to resolve those issues. The Commission shall order a contested case hearing if it finds that a material issue of fact has been raised and that the holding of the contested case hearing will aid the Commission in making a final decision on whether to authorize construction of the project.

Eminent Domain. West Stevens Wind does not have the power of eminent domain to acquire the land or wind rights for the project. Wind and land rights necessary to build the LWECs facility must be in the form of voluntary easements or lease agreements between individual landowners and West Stevens Wind.

Project Documents. Electronic versions of the site permit application, the draft site permit and other documents relevant to this matter are available on the Commission's website: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=24842>, and on the Department of Commerce's eDockets website: <https://www.edockets.state.mn.us/EFiling/search.jsp> (enter "09" and "830" docket number).

Copies of the LWECs application and draft site permit are also available for public review at the Auditor's Office in Stevens County, the city offices in Chokio, Everglade Township in Stevens County, and the public library in the city of Morris.

Mailing List. Persons interested in adding their names to the OES mailing list for this project should contact the project manager, public advisor, or register online at: <http://energyfacilities.puc.state.mn.us/#MailingLists>.

Project Contacts. For more information about the permit process and the proposed project please contact:

Scott Ek, Project Manager
Energy Facility Permitting
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-8813
scott.ek@state.mn.us

Deborah Pile, Public Advisor
Energy Facility Permitting
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 297-2375
deborah.pile@state.mn.us

Questions about the LWECs permit application may also be directed to the applicant by contacting the company's representatives, Mr. Keith Thorstad (320-324-7122, Mnioka@fedtel.net) or Mr. Roland Jurgens (320-324-7122, rjurgens@mnioka.com).

This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651-201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

MINNESOTA DEPARTMENT OF COMMERCE

NOTICE OF AVAILABILITY FINAL ENVIRONMENTAL IMPACT STATEMENT

**Large Electric Power Generating Plant Site
High Voltage Transmission Line Route
Natural Gas Pipeline Route (Partial Exemption)
Joint Permit Application
Mesaba Energy Project Proposed by Excelsior Energy, Inc.
PUC Docket No. E6472/GS-06-668**

PLEASE TAKE NOTICE that the Minnesota Department of Commerce (DOC) announces the availability of the Final Environmental Impact Statement (FEIS) for the Mesaba Energy Project (PUC Docket E6472/GS-06-668) for public comment.

Copies of the FEIS can be obtained through the DOC Project Manager and may be viewed at the Public Utilities Commission (Commission) web site:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=16573>

Copies are also available for viewing at the following public libraries: Hoyt Lakes, Hibbing, Bovey, and Grand Rapids.

This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651-201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

The public will also have until Wednesday, December 2, 2009, to submit written comments to the ALJ on the adequacy of the FEIS. Written comments should be mailed to Steve M. Mihalchick, Administrative Law Judge, Minnesota Office of Administrative Hearings, PO Box 64620, St. Paul, Minnesota 55164-0620.

Background. On June 19, 2006, Excelsior Energy submitted to the Commission a Joint Permit Application for a large electric power generating plant (LEPGP) site permit, a high voltage transmission line (HVTL) routing permit and a pipeline (partial exemption) routing permit associated with the proposed Mesaba Energy Project. On July 6, 2006, the Commission accepted the application as substantially complete and notified the applicant in writing of the decision.

On November 5, 2007, the DOC issued its notice of availability of the Draft Environmental Impact Statement (DEIS) for the project. The DOC held public meetings to obtain comments on the DEIS in the cities of Taconite and Hoyt Lakes on November 27, 2007 and November 28, 2007, respectively. The public was also allowed until January 11, 2008 to submit written comments on the DEIS. The ALJ held public hearings on the Joint Permit Application in Taconite and Hoyt Lakes on January 29, 2008 and January 30, 2008, respectively. Members of the public participated in the public hearings and were given until February 15, 2008 to submit written public comments to the ALJ. By order dated March 10, 2008, as affirmed by letter dated June 25, 2008, the ALJ specified that members of the public would be allowed ten business days after the filing of the FEIS to comment on the adequacy and impact of the FEIS.

Many comments/questions were received from the public during the environmental review process for the Mesaba Energy Project. The response(s) to each commenter's concern is included in Volume 3 of the FEIS.

Regulatory Review Process. In accordance with the Power Plant Siting Act (Minnesota Statutes, 216E.001 through 216E.18) a site permit and a route permit are required before a large electric power generating plant (LEPGP) or high voltage transmission line (HVTL) can be constructed. The power plant siting act requirement became law in 1973. The rules to implement the permitting requirement for LEPGP are in Minnesota Rules Chapter 7850.1000 through 7850.5600.

A LEPGP is defined as any electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more. A HVTL is defined as a conductor of electric energy and associated facilities designed for and capable of operating at a nominal voltage of 100 kilovolts or more either immediately or without significant modification.

A pipeline route permit from the Commission is required for the construction of certain pipelines (Minnesota Statutes 216G.01 through 216G.12). The Commission has jurisdiction over pipelines that are designed to carry natural gas and be operated at a pressure of more than 275 pounds per square inch. However, the Commission's authority does not apply to interstate natural gas pipelines regulated under the federal Natural Gas Act and to pipeline owners or operators who are defined as a natural gas public utility under (Minnesota Statutes 216G.06).

Minnesota Rule Chapter 7850.1600, Joint Processing, allows an applicant to combine applications for a LEPGP site permit, a HVTL route permit and a pipeline route permit into a single, joint filing.

Excelsior Energy's Joint Permit Application is being reviewed under the Full Review Process (Minnesota Rule Chapter 7850.1700) within the Power Plant Siting Act. Under the full permitting process the applicant is required to submit two sites and/or routes (i.e., a preferred and an alternate) for consideration. As part of the permitting process, the Department of Commerce is responsible for certain procedural requirements (i.e., public notice and meetings), issuing the EIS Scoping Decision and the preparation of an Environmental Impact Statement (EIS). A contested case hearing was also held following completion of the draft EIS. The Commission will make the final decision; that decision includes a determination on the adequacy of the EIS and the determination whether to grant the requested permits, as well as, site/route selection and permit conditions.

Project Description. Excelsior Energy is proposing to construct and operate a coal-feedstock Integrated Gasification Combined Cycle ("IGCC") power plant. The proposed power plant will be constructed in two phases; each phase will be capable of producing approximately 600 MW (net) of baseload power.

The two sites under consideration are located on the Iron Range. The applicant's preferred site, referred to as the West Range site (approximately 1,727 acres) is located in the city of Taconite in Itasca County, MN. The alternative site, referred to as the East Range site (approximately 1,322 acres) is located in the city of Hoyt Lakes in St. Louis County, MN.

In the E-GasTM process, coal, petroleum coke, or blends of coal and petroleum coke are crushed, slurried with water, and pumped into a pressurized vessel (the gasifier) along with purified amounts of oxygen. In the gasifier, controlled reactions take place, thermally converting feedstock materials into a gaseous fuel known as synthetic gas, or syngas. The syngas is cooled, cleaned of contaminants, and then combusted in a combustion turbine

(CT), which is directly connected to an electric generator. The assembly of the CT and generator is known as a combustion turbine generator (CTG). The expansion of hot combustion gases inside the CT creates rotational energy that spins the generator and produces electricity. The hot exhaust gases exiting the CTG pass through a heat recovery steam generator (HRSG), a type of boiler, where steam is produced. The resulting steam is piped to a steam turbine that is connected to an electric generator. The expansion of steam inside the steam turbine spins the generator to produce an additional amount of electricity. When a CTG and a steam turbine generator (STG) are operated in tandem at one location to produce electricity, the combination of equipment is referred to as a combined cycle electric power plant. Combining the gasification process with the combined cycle design is known as integrated gasification combined cycle (IGCC).

When both phases are completed, each of the two power blocks will consist of two CTG (approximately 220 MW each) and one STG (approximately 300 MW). Three gasifiers, two on-line and one off-line during operation, will supply the CTGs with syngas. Power generated from the project will be interconnected to the regional electrical grid via high voltage transmission lines, either at the Blackberry or Forbes substations depending on which site (i.e., West Range or East Range, respectively) is selected.

Inquiries about this project should be directed to the DOC project manager, Bill Storm (bill.storm@state.mn.us) or the public adviser, Deb Pile (Deborah.Pile@State.mn.us) 85 7th Place East, Suite 500, St. Paul, MN 55101, telephone 651.296.9535, (toll free 1.800.657.3794), facsimile 651.296.3698 (TTY relay service 800.627.3529).

WEST RANGE SITE

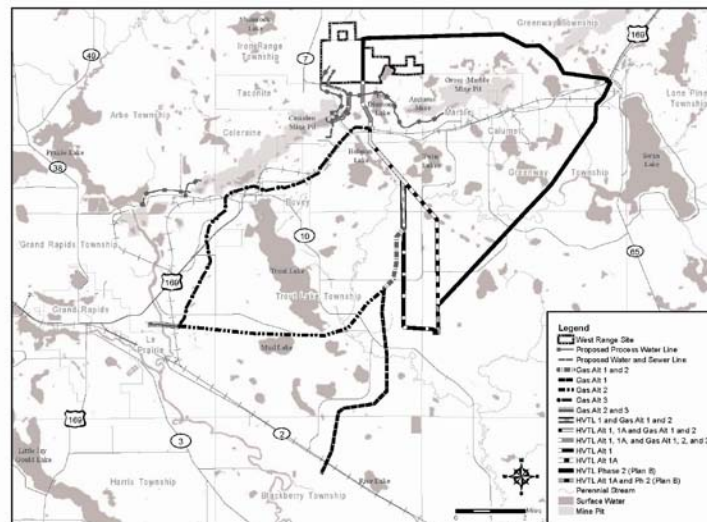


Figure S-2B. West Range Site and Corridors

EAST RANGE SITE

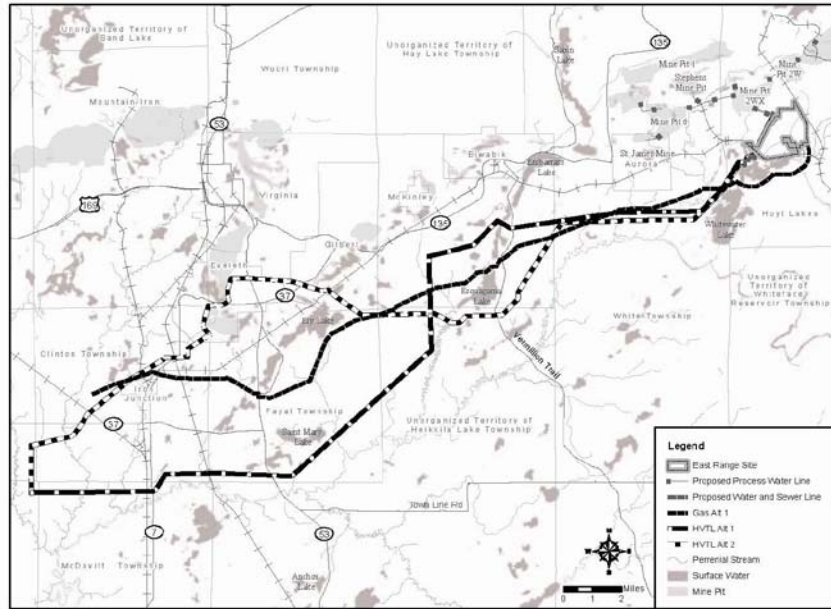


Figure 9-3B. East Range Site and Corridors