THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION OF MONTANA-DAKOTA UTILITIES CO. AND OTTER TAIL POWER COMPANY FOR A PERMIT TO CONSTRUCT THE BIG STONE SOUTH TO ELLENDALE 345 kV TRANSMISSION LINE

EL13-028

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BEFORE THE PUBLIC UTILITIES COMMISSION

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are required under the Stipulation for approval of material changes within the route.

Then just to give you very briefly the status as it is today on options signed on this project, I can tell you that as of the 3rd of June we have 224 options signed. That equals roughly 60 percent of the total line miles on this project. I know we've executed a few more today. I don't have those reflected in here. But so we continue to make progress on getting options signed on the project.

Now in terms of the Soybean Cyst Nematode Mitigation Plan, you know, I admitted right away that when this issue was raised by Mr. Pesall's attorney this was not an issue that the owners of this project or the Applicants here were really aware of.

You know, we've built a lot of transmission line throughout this area and throughout Minnesota, North Dakota, Montana. This is an issue that at least has not come up in any particular proceeding or it is not something that we have faced before on a project.

So as a result, we had to do a little bit of research right away into this issue. And through that research -- and basically what we did was we consulted with South Dakota State University and their extension service. They're well-aware of this issue, and they were

able to give us, I think, some good education on this issue as well as discuss with us what our mitigation plan looks like and kind of give us a little bit of advice there.

So as a result of those consultations, what we really have determined here is that within the roughly 160, 165 miles of the route in South Dakota -- or throughout the whole project, for that matter, we have determined that what needs to be done is that we need to test each individual cultivated field for the presence of the soybean cyst nematode.

So we've committed, you know, within the Stipulation that we will follow this mitigation plan. We will test essentially every cultivated field on this project. Based on the results of that testing, we're going to know something more about kind of the density of this problem within our route. In other words, we'll know if this issue is confined to certain areas on the route, whether it's every other field kind of a situation or whether it's, you know, 10, 15 miles that is clean fields, followed by 10, 15 miles of dirty fields.

The reason I say that is because in our investigation we determined there are several ways to mitigate the transference of the nematode from one field to the other. And depending on the density of this issue

along the route, that is going to determine what is the best method of mitigation or the best method that we will apply to prevent this spread to the best of our ability from a dirty field to a clean field.

There are several methods we're looking at that we've found that other companies have used in other parts of the country where this has been an issue in the past. There are things like cleaning stations that you set up at the edge of a so-called dirty field where you will clean the equipment before they leave that field. Therefore, they'll be clean and ready to go into a noninfected or noncontaminated field and not transfer the nematode.

There is also the option of what we call clean crew/dirty crew. What that means is, there again, depending on the density and the distribution of these fields, you could actually set up a crew that only works within the clean fields. They don't ever go into a dirty field and vice versa. You set up a dirty crew that their purpose is to only work within the fields that are contaminated and not cross into a field that is not contaminated.

Those are a couple of the real, I think, successful methods that have been used on other projects. There's other possibilities such as matting where you're

technically not driving in the field; you're driving on wood matting. And that could be used in certain areas maybe where the field conditions are wet enough that we would have a greater concern of spreading contaminated soils.

And, you know, I think there are some other things out there that we've read about in terms of, you know, potential lesser risk in, say, winter months when the ground is frozen, things like that.

So our mitigation plan has laid out this process where we do the testing followed by an analysis of those results to determine the best methods of mitigation to use. And those methods could actually vary from one area of the line to another, all dependent on, you know, cost-effectiveness, project efficiencies, and just what is the best method to use in that area.

So that's how we intend to proceed in mitigating the nematode issue. That is Exhibit 23 also, and so we can read that. And it's also included in paragraph 17 of the Settlement Stipulation.

So with that in mind, I guess, in conclusion I just want to say that based on what we believe our Application has done, what other filed testimony that we have filed in this case, and the conditions in the Settlement statement -- or the Settlement Stipulation itself, we the

Council was one that we had contacted. We did -- in Appendix C of the Application, we did make contact with the State -- if you just give me a second here, I think I can find it. To the South Dakota Department of Agriculture and South Dakota Department of Environment and Natural Resources, those two agencies, which I assume maybe would know something about it. At least the Department of Agriculture. Also the U.S. Department of Agriculture was contacted.

CHAIRMAN HANSON: My recollection, the Soybean Council was the first to have a publication on it, though, in South Dakota. It was quite a few years ago, and they were talking about it in the southeast part of the country.

Would you please contact them and have discussions with the Soybean Council as well?

THE WITNESS: (Nods head.)

CHAIRMAN HANSON: You spoke of cleaning stations, clean and dirty crews, potential matting. Counsel Pesall got into some specifics in that arena, a number of areas that I'm concerned with. It doesn't -- the Exhibit 23 states that it may include some of the cleaning stations, clean and dirty crews, things of that nature.

Again, in this particular instance do you have

any specific criteria?

The verbiage just did not leave me with a great deal of confidence. In fact, again, it states that it may include, that you may include some of these items.

THE WITNESS: Yeah. I think as I stated in my testimony, what we feel is critical here in determining the type of mitigation is really the prevalence of the nematode along the route.

So if worst-case scenario let's say 100 percent of the route is contaminated, then obviously there really isn't mitigation that would be required.

But if we have long stretches of contamination and long stretches of noncontaminated fields, then the clean crew/dirty crew option may actually be the best option to use.

The cleaning stations I think would be used more in the situation where we have, what do you want to say, oscillation between clean and dirty fields along the route so that it is potentially impractical to use clean and dirty crews.

So I guess the purpose of that language in the plan is that we may as a result of determining the density of the problem eliminate some of those mitigation options. I mean, maybe we end up going to nothing but cleaning stations, let's say, as an example.

So I think we wanted to keep all of these options on the table until we can really analyze, you know, the significance of the problem along the route and best determine, you know, how to mitigate.

CHAIRMAN HANSON: Just a comment. It would seem that if you do find a nematode cyst, that you would only use dirty crews in those areas and that you would use clean crews in all of the other areas so that there would be no cross-contamination.

I have a few other questions, but I will acquiescent to my fellow Commissioners at this juncture.

Commissioner Nelson, did you have questions?

COMMISSIONER NELSON: Just a couple, Mr. Ford.

In your initial comments today you mentioned that of the route alternatives that you were looking at there was only one that ended up being rejected. Is that the Podoll area?

THE WITNESS: Yes, it is.

COMMISSIONER NELSON: And referencing your June 5 and 6 letter to Mr. and Mrs. Lyle Podoll, you indicated that one of the reasons that you couldn't go with their alternative was that it would place them at odds with landowners on the proposed southern route change.

My recollection of Mr. Podoll's commentary at