

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF DAKOTA ACCESS, LLC FOR AN ENERGY FACILITY PERMIT TO CONSTRUCT THE DAKOTA ACCESS PIPELINE	HP14-002 PRE-FILED TESTIMONY OF Thomas E. Stofferahn

STATE OF SOUTH DAKOTA)

:SS

COUNTY OF MINNEHAHA)

Thomas E. Stofferahn, being first duly sworn on his/her oath, deposes and states as follows:

Please state your name and address.

Thomas E. Stofferahn
45938 SD Hwy 38
Humboldt, SD 57035

How are you involved with the Dakota Access Pipeline project?

I am a landowner and business owner in Minnehaha County, South Dakota affected by the proposed Dakota Access Pipeline.

Please describe the history of your family's land ownership, and whether farming will be continued by younger generations.

I have been farming in South Dakota for 45 years. The particular parcel of land that Dakota Access wants to go through runs along Highway 38 and was purchased by my brother, Ron Stofferahn, and myself in 1975. The land is rented to Stofferahn Farms Partnership. I have two sons. One son is a partner and the other son is an employee in Stofferahn Farms Partnership. My brother, Ron Stofferahn, and myself own Nortec

Seeds, Inc. Both of my sons, my wife, and nephew are employees of Nortec Seeds, Inc. Estate plans have been made for my sons to inherit my ownership in both businesses. Estate plans have been made for my wife to inherit the land and home acreage.

Please describe your current farming operations.

Stofferahn Farms Partnership is owned by four family members and conducts the farming operations. This partnership farms approximately 2800 acres in Minnehaha, McCook and Turner counties in South Dakota. Stofferahn Farms grows soybeans for Nortec Seeds, Inc. to use as seed.

To the best your knowledge, what area(s) of your property will the Dakota Access Pipeline cross?

From verbal conversations with Dakota Access contract easement employee, Edwina Scroggins, the pipeline easement will run from north to south through the 118.36 acre land parcel I own with my brother that runs along Highway 38 utilizing approximately 4 acres of tillable crop land. She stated it will run right behind our 3.8 acre acreage where my home is situated that I own with my wife, Nancy Stofferahn, and also right behind our seed business, Nortec Seeds, Inc.

How close is the pipeline to any building, bin or pen, water source, or farming facilities (i.e., storage area, feedlot, grazing area, etc.)?

I do not know the exact yardage.

Please describe any special characteristics of your property and farmland, and/or whether you plan to build any houses, outbuildings, shelter belts, or other structures on your property.

Nortec Seeds, Inc.

In South Dakota the Stofferahn family has been in the seed business for over 40 years that began with my father. In 1998 when my brother and myself purchased the business from our father the location was moved next to my home on Highway 38 in a 60x120 Morton shed that we built. Later the shed became a part of Stofferahn Farms Partnership and we deeded 3.96 acres to the partnership named Tract 1 where the shed sits today. Nortec Seeds, Inc. rents this shed to conduct its business. Beginning in the summer of 2014 before any knowledge of Dakota Access pipeline we began making plans for an expansion. The only available expansion is to the north because the land only goes 30 feet east, to the west there is a slough and to the south Highway 38. The expansion includes a new 60x152 Morton storage shed and another structure to house a soybean cleaning and treatment center with 6 bulk hopper bins. The expansion will include new offices and parking for semis and trucks. To the North of these new structures we plan to have all research and test plots for customer and public viewing. Since we have a unique situation where we own both the land and business we can deed more land to Tract 1 to expand the business location when needed. It is my intention to sell my portion of Nortec

Seeds to my two sons and they will continue to operate the business in the future. Without this expansion we feel we cannot be competitive in the seed industry and would have to move to a new location. To find this same excellent location would be costly along with constructing a whole new warehouse facility. At the present time we have not begun any construction for the expansion because we now know that the pipeline will be behind the location of the business. If my sons do not have the opportunity to expand in 10-30 years than there is no use wasting capital on a South Dakota business that cannot grow. Without expansion Nortec Seeds could possibly lose millions of dollars in sales over the life of the easement and to relocate would cost hundreds of thousands of dollars.

118.36 Acre Parcel of Land

This land was purchased by myself and my brother in 1975. In 45 years of farming we have picked rock and made improvements so that it is a highly productive parcel of agriculture land. It is along Highway 38 where there is continued growth and in the future has the potential for development property. There is one housing eligibility on the land. My son had plans this year to use the housing eligibility to build a home on an acreage near where the pipeline is entering the land to the north. Of course that will no longer be a possibility. Because of the liability of the pipeline I believe it will reduce the property value of the land and the housing eligibility.

3.8 Acreage with Home, 66x99 Morton Shed and Shelter Belt

My wife and I built this home on the acreage in 1980 on Highway 38. In July, 2014, we started a renovation of the home before any knowledge of the pipeline. We put in a large amount of our retirement money for this project treating it as an investment. The renovation included new roof, steel shingles, new siding and windows, and brick-stone front with pillars. The inside was completely gutted and redone with solid wood floors, larger rooms, granite counters, stone archway to the kitchen. It has a two tier landscaping to the east and north, stamped concrete patios and there is a 66x99 Morton shed behind the house. Because of the good location we believed this would be a good investment. Now common sense is telling us who would ever want to buy a high-end home and acreage with a pipeline behind it and we are afraid that our retirement money will be lost.

Please describe which of your farming operations or other land uses will be impaired by the Dakota Access Pipeline and how they will be impaired.

The main concern I have is for the liability issues in regard to farming the land, compaction of the soil and whether the land will ever produce. If Stofferahn Farms hits the pipeline while doing normal farming practices is it liable for damages to neighbors or other landowners? Our insurance agent has told us that there is no insurance that we can obtain to cover this liability. The land in question has a mortgage on it for the purchase of other land. Our lending bank has said they will not sign off on the easement. From what I have learned about the proposed easement by Dakota Access there is nothing that addresses their liability for an oil event. From what I heard on the easement from other landowners the entire 118.36 acre parcel legal description is used on the easement not the 50 feet pipeline description. Dakota Access does not sign the easement. Dakota Access has the right to amend the easement to install more 30 inch pipelines on the 50 foot easement.

I have invested in ethanol plants to help with our nation's energy concerns and establish better corn prices. As far as I know the pipeline has no plans to transport ethanol. In fact

the oil industry has lobbied for less blending of ethanol which in turn lowers corn prices and hurts Stofferahn Farms economically.

Has your farmland been improved with drain tile? If so, please describe whether you are concerned that pipeline construction may damage and impair the drain tile performance and investment.

Yes. There are two lines. At the present time I do not believe the pipeline path will cross the tiles.

Do you believe that the Dakota Access Pipeline will pose a threat of serious injury to the environment or the inhabitants within the siting area? If so, why?

Yes. If there is a leak or oil event it will naturally run through the drainage tiles and tributaries that go into West Skunk Creek, Skunk Creek, Sioux River and could affect water aquifers for Sioux Falls and Minnehaha County communities. Bakken oil has been found to be explosive when transporting by rail and there is nothing I have seen to prove that it will any different in a pipeline. In my opinion residing or working near the pipeline has an increased safety risk.

Do you believe that the Dakota Access Pipeline will substantially impair the health, safety and welfare of the inhabitants of the siting area? If so, why?

Yes. There is a saying that when you pour cement it is not whether if it will crack but when. I believe the same saying can be applied to pipelines. 570,000 barrels a day, 1440 psi, welded together segments so it is only the matter of where and when the oil events will happen. Will it be in the James River, Sioux River, Missouri River, Mississippi River or on my land? The land would never be able to be put back to the original natural resource it once was and could probably not be farmed. Five Stofferahn families depend on the income from Nortec Seeds so if we were unable to conduct business it would greatly affect the welfare of all the families.

Have you been sued by Dakota Access Pipeline to compel court ordered access to your land? If so, (1) Has Dakota Access Pipeline provided you any legal authority (i.e., state statute) supporting its claim that you have no right to exclude Dakota Access from your land at the time of said lawsuit? and (2) Have you incurred legal fees in defending against said lawsuit?

Yes. I was served a Summons and Complaint at my business in March, 2015.

No. They have not showed me a permit to survey. Dakota Access in legal documents has defined themselves as a public common carrier but I do not know who gave them this legal authority.

Yes. I have incurred legal fees.

Has Dakota Access Pipeline made any statements to you that it is a "common carrier" under South Dakota law? If so, please describe.

In the Complaint for Preliminary Injunction to Provide Survey Access that was served on me they stated in paragraph 3 that they are a common carrier and have the privilege of eminent domain pursuant to SDCL 49-2-12 and 49-7-13.

Please state any other concerns you have regarding the Dakota Access Pipeline.

I am a life-long resident of South Dakota and have been engaged in farming and the seed business for about 45 years. I have worked to grow these businesses for my own financial well being and for my family. I have always supported the State of South Dakota. I am concerned that the State of South Dakota is going to take my land through eminent domain and I will lose everything I have worked for my entire life to develop these businesses into what they are today. I would like to pass them on to my children and grandchildren.

SDCL 49-41B-22 Applicant's burden of proof.

(2) The facility will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area; This paragraph in the above-named statute protects me from the economic harm that will be caused by Dakota Access pipeline to Nortec Seeds, Inc., myself and my family.

Would you be available to present testimony and respond to questions during the formal hearing scheduled for September 29 through October 8, 2015?

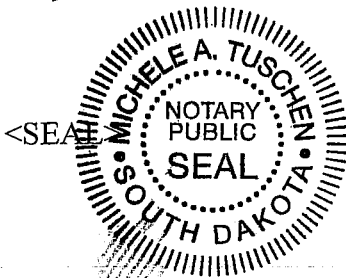
Yes.

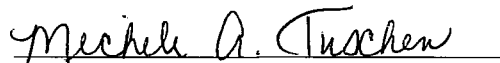
Does that conclude your testimony?

Yes.



Subscribed and sworn before me this 29th day of June, 2015.




Notary Public – South Dakota
My Commission Expires: 10-15-17