

In The Matter Of:
Docket EL10-016
CapX2020 Project Application

January 6, 2011

Pat Beck, Court Reporter

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

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1 BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

2 Docket EL10-016

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4 In the Matter of the Application
 5 of Great River Energy and Northern
 6 States Power Company d/b/a Xcel
 7 Energy for a Permit to Construct
 8 a 10.6 Mile, 345 kV Transmission
 9 Line (CapX2020) in Brookings County
 10 Near White, South Dakota,

11
 12 Swiftel Center
 13 Brookings, South Dakota
 14 January 6, 2011
 15 6:30 p.m.

16 * * * * *

17 P U B L I C H E A R I N G

18 * * * * *

19 APPEARANCES:

20 The South Dakota Public Utilities Commission
 21 Mr. Steve Kolbeck, Chairman
 22 Mr. Gary Hanson, Commissioner

23 Mr. John J. Smith
 24 Ms. Karen E. Cremer
 25 Public Utilities Commission
 500 E. Capitol Avenue
 Pierre, South Dakota 57501-5070

Mr. Brett Koenecke
 May, Adam, Gerdes & Thompson
 P.O. Box 160
 Pierre, South Dakota 57501

for the CapX2020 Partners.

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 24
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1
2 CHAIRMAN KOLBECK: We'll get going. Good
3 evening, everyone. I'm Steve Kolbeck. I'm the
4 Chairman of the South Dakota Public Utilities
5 Commission. We'll get our meeting here started
6 tonight.

7 First of all I just want to say thank you
8 for all of you coming out on this evening.
9 It's a little cold out there, and a little
10 snow, but we appreciate all of you showing up.

11 Also, this meeting is more for everyone in
12 the audience. The commission will have time to
13 take all the information that we gain tonight.
14 We will take it back to Pierre, analyze it,
15 take your comments and your suggestions and go
16 through it then.

17 This meeting truly is for the people in
18 the audience. It's for you to get up, ask
19 questions in an informal setting; make sure
20 that all of your questions or concerns are
21 answered.

22 So with that I'm here tonight with
23 Commissioner Gary Hanson. And also in the
24 audience with us is Commissioner Designee Chris
25 Nelson. As you probably heard by now

1 Commissioner Dusty Johnson will be leaving the
2 commission effective this coming Saturday to
3 join Governor Daugaard's team as Chief of
4 Staff. Chris is here tonight because he will
5 take the oath of office to replace Dusty on
6 Saturday, and will be a commissioner during the
7 time his application is being considered by the
8 commission. So we're glad to have him here.

9 So if you haven't had the opportunity
10 please introduce yourself. Chris is eager to
11 get going and will do his due diligence on this
12 docket, I'm sure.

13 Our purpose tonight is to hold a public
14 hearing in Docket No. EL10-016 entitled Matter
15 of the Application of Great River Energy and
16 Northern States Power Company, doing business
17 as Xcel Energy, for a permit to construct
18 10.6 miles of 345 kV transmission line, also
19 known as CapX2020, in Brookings County near
20 White, South Dakota.

21 This project is being proposed by a group
22 of utilities called the CapX2020 Transmission
23 Initiative Utilities. We have joined together
24 to identify and construct needed transmission
25 facilities in the Upper Midwest. Great River

1 and Xcel are part of CapX2020. The South
2 Dakota portion of the project consists of a
3 10.6-mile 345-kilovolt transmission line from
4 Brookings County substation near White, South
5 Dakota, to the South Dakota/Minnesota border at
6 201st Street around a mile and a half south of
7 Lake Hendricks on the border.

8 The project also includes some associated
9 modifications at the existing Brookings County
10 substation.

11 The purpose of this hearing tonight is to
12 provide information to the public about
13 CapX2020's proposed project, and to hear public
14 comments regarding the proposed project.
15 Interested persons have the right to present
16 their views and comments regarding the
17 application, and we want to encourage you to do
18 so.

19 A copy of the application is on file with
20 the Brookings County Auditor. The public may
21 also access the application and all other
22 non-confidential dockets in the file on the
23 commission's website at www.puc.sd.gov. And it
24 will be under "Commission Actions, Commission
25 Dockets, 2010 Electric Dockets." And then

1 scroll down and you'll find the EL10-016. Or
2 you can just call -- you can call us or you can
3 do it by writing or stopping in at the
4 commission office.

5 If I went through that address maybe a
6 little too quickly, you couldn't write it down,
7 feel free to ask any of our staff that are up
8 here.

9 We do have staff that's with us tonight,
10 and I'll go through that later. The parties --
11 but the parties in this proceeding at this time
12 are the CapX2020 partners and the commission.

13 Under the South Dakota law each
14 municipality, county and governmental agency in
15 the area where a facility is proposed to be
16 constructed, or any interested person or
17 organization may be granted party status in
18 this proceeding by making written application
19 to the commission on or before January 24th,
20 2011.

21 We have applications here, and they're
22 available this evening if you would like to
23 apply for party status.

24 I'd like to emphasize to everyone,
25 however, that you do not need to become a party

1 in the case to make your voice heard by the
2 commission.

3 The reason we're here tonight is to hear
4 your comments and what you have to say, and
5 your concerns about the project.

6 We will also be accepting comments in
7 writing from anyone, either by mail, personal
8 delivery or e-mail right up until the time of
9 the decision.

10 So you only need to apply for party status
11 if you want to participate formally in the case
12 by putting on actual testimony and other
13 factual evidence, conducting discovery,
14 cross-examining witnesses, make legal arguments
15 and the like, and to preserve your right to
16 appeal to the courts if you don't like our
17 decision.

18 For its permit to be approved our laws say
19 the CapX2020 must show that the proposed
20 transmission facility will comply with all
21 applicable laws and rules, will not pose a
22 threat of serious injury to the environment or
23 to the social or economic condition of
24 inhabitants or expected inhabitants in the
25 siting area. It will not substantially impair

1 the health, safety and welfare of its
2 inhabitants and will not unduly interfere with
3 the orderly development of the region with due
4 consideration to the views of governing bodies
5 of affected local units of government.

6 Based on these three factors the
7 commission will decide whether the permit for
8 the project should be granted, denied, or
9 granted upon such terms, conditions or
10 modifications of the construction, operation or
11 maintenance of the facilities as the commission
12 finds appropriate.

13 I'd like to point out to everyone that we
14 have Pat Beck, our court reporter, here
15 tonight. So I'd ask that you please use the
16 microphone and introduce yourself and spell
17 your name when you speak so that we can get it
18 on the record.

19 I might also like to point out that we
20 have a number of members of the commission
21 staff here tonight, and we want you to feel
22 free to seek them out if you have questions or
23 need help with anything either here tonight or
24 as we go through the process.

25 We will begin the hearing by having the

1 CapX2020 folks make a presentation to explain
2 the proposed project. Following that
3 presentation we will take comments from any
4 interested persons or organizations. We want
5 to strongly encourage members of the public to
6 present your views. This meeting here tonight
7 is for you.

8 Before we get started I'd also ask all of
9 you to make sure to put your information on the
10 sign-in sheets in the back so we have a record
11 of who has attended the hearing. Brett
12 Koenecke will be the spokesman here tonight for
13 CapX2020. Brett, would you like to introduce
14 your people and give your presentation?

15 MR. KOENECKE: Thank you very much,
16 Commissioner, and welcome. My name is Brett
17 Koenecke. I'm a lawyer from Pierre, and I'm
18 representing the CapX2020 partners in this
19 docket proceeding. We do have a short
20 presentation, and then we look forward to
21 hearing your comments and answering any
22 questions that you might have about the
23 proposed project.

24 Directly to my right is Dan Leshner. Dan
25 is a routing lead and has dealt with the

1 landowners in Brookings County on this project,
2 and he'll be presenting along with Laureen Ross
3 McCalib, the regulatory manager assigned to the
4 project for Great River Energy, and Kevin
5 Lennon who is the project manager with
6 responsibility for construction.

7 We also have folks in the back of the room
8 to help us with the really hard questions which
9 you might ask. Craig Parker is the manager for
10 the land rights. Carol Schmidt is the
11 supervisor for transmission permitting and
12 compliance. Randy Fordes, our communication
13 specialist, and Alick Moore is a consultant
14 with HDR and helped put together the facility
15 permit which you might have already taken a
16 look at. With that, I'll turn the microphone
17 over to Dan and we'll start with what should be
18 about a 20 to 25-minute presentation. Thank
19 you.

20 MR. LESHER: Thank you, Brett.

21 Mr. Commissioner -- Mr. Chairman and
22 Commissioners, I'm here tonight just to
23 introduce the CapX 345-kV transmission line
24 project. This is the Brookings County to
25 Hampton project traversing through South Dakota

1 and Minnesota.

2 Just to give you a little overview to the
3 presentation that we will be running through.
4 We will start with Laureen Ross McCalib who
5 will talk to you a little bit about CapX2020
6 and the different projects that are involved
7 with the CapX Group One projects. She will
8 then go into the regional transmission needs
9 for the state region, and then go into the
10 current transmission projects under
11 development.

12 I will then take the reins and go over the
13 Brookings to Hampton project, what that project
14 consists of, and going through some of the more
15 detailed routing that we've done for the
16 project. And, finally, Kevin will conclude
17 with design and construction standards for the
18 Brookings project.

19 So I'd like to turn it over to Laureen.

20 MS. ROSS McCALIB: Thank you. My name is
21 Laureen Ross McCalib. Chairman, Commissioner,
22 thank you for allowing us to present this
23 evening. Here we go.

24 I'd just like to tell you a little bit
25 about this unique organization that we have

1 called CapX2020. It's an alliance of 11
2 different utility types in the Upper Midwest
3 who got together in about 2005 and started
4 looking at the transmission needs of the
5 region, and in a new and really unique way,
6 instead of looking at their own service
7 territory transmission needs said there are
8 greater needs, broader needs beyond just our
9 territory, and it might make sense if we get
10 together as utilities to identify some regional
11 needs for transmission that will serve multiple
12 needs.

13 One of those needs is local reliability.
14 There are some areas in Minnesota that
15 especially need new high voltage fairly
16 quickly. There's also been just an abundance,
17 as you would know, especially in this area, of
18 renewable energy and wind generation, and the
19 need to have that energy moved out of South
20 Dakota and into the market. And there's also a
21 need for just increase in the capacity, the
22 outlet capability of the transmission system in
23 itself. There hasn't been any large
24 transmission developed in the Upper Midwest in
25 25 to 30 years, so this is one of the first

1 series of transmission facilities that are
2 underway.

3 This CapX2020 organization is based on
4 utilities that serve customers. And they're
5 very focused on customer needs, on cost, on
6 reliability, on economic development, and as a
7 result all of these companies share common
8 goals.

9 In fact, three of these organizations
10 serve South Dakota. Missouri River Energy
11 Services, Otter Tail Power Company and Xcel
12 Energy all serve customers right here.

13 As I mentioned transmission is needed in
14 the Upper Midwest, not only North and South
15 Dakota, Minnesota, Wisconsin, also Iowa, and
16 potentially further east in the Mideast US as
17 well.

18 One of the biggest reasons that I
19 mentioned especially here is more renewable
20 energy development. Driving in or driving
21 around you see all the wind towers that are up
22 and running, maybe not today, but there's a
23 need to utilize that energy and get it to
24 markets that will pay for it or that will serve
25 a growing load.

1 So, the CapX2020 group looked at
2 transmission on a regional basis rather than on
3 an individual utility basis. And the benefits
4 of the line are that it will serve South
5 Dakota, Minnesota, North Dakota, Iowa and
6 Wisconsin. By doing so it's going to support
7 jobs and economic development in two ways. One
8 is certainly just by adding more reliable
9 energy for all businesses and industries as
10 well as homes, and another is in the short-term
11 economic development that comes as a result of
12 the construction of facilities of this big
13 size.

14 And as I mentioned, this is the first
15 major transmission operated in the region in 25
16 years. So CapX2020 is currently in the
17 development stages of four major high voltage
18 transmission lines. And this map is
19 illustrative. It isn't exactly where they are,
20 but you can see that basically they're looking
21 to tap into wind and renewable energy sources
22 in the Dakotas, move that into the Twin Cities
23 area, but then also move it further east into
24 the Midwest independent system transmission
25 operator marketplace. And these benefits of

1 being able to move this energy occur to all
2 customers, and, in fact, the entire Midwest.
3 And we've said, as the CapX organization, these
4 are really valuable and needed projects. They
5 will provide a solid foundation for any future
6 transmission projects and generation that may
7 develop -- be developed in any of these areas.

8 So at its core the primary need for this
9 transmission line is that the demand for moving
10 energy has exceeded the capability of the
11 existing transmission system. And you can
12 imagine that in 25 years, not having new
13 transmission but yet all the new generation
14 that's being developed and has come into
15 operation. In fact, there have been requests
16 for over 13,000-megawatts of transmission --
17 excuse me, of renewable energy or wind
18 development to be moved from this area in the
19 Coteau and Buffalo Ridge into the marketplace.

20 This Brookings transmission line continues
21 the development of transmission that has
22 occurred over the last five to eight years, and
23 several of these are right in this area, and
24 you may be very familiar with them.

25 They're called the Southwest 825 projects

1 or the Regal projects. Those five projects
2 listed up there combined were able to increase
3 the outlet capability of this area by
4 1,200-megawatts.

5 This Brookings line that we're proposing
6 today and that we're here to talk about tonight
7 has the capability of providing an additional
8 thousand megawatts of energy to move from this
9 part of the region up further into the state.
10 I'll turn it over to Dan for more discussion on
11 the project.

12 MR. LESHER: Thanks, Laureen. Just to
13 give you a little bit more detail about
14 what's -- what the Brookings line really
15 consists of. If we start in South Dakota, the
16 route that's before you tonight, exactly it's
17 10.6 miles, but for ease I'll just round it to
18 11 miles. So we're talking about 11 miles of
19 transmission starting at the Brookings County
20 substation, Section 25, Sherman Township, and
21 traversing to the points where Minnesota has
22 approved the routes at the South
23 Dakota/Minnesota border.

24 Obviously we made our application to the
25 South Dakota Public Utility Commission in

1 November. The docket number is on the screen
2 for you to see. And the application is
3 currently under review. That's why we're here
4 tonight.

5 The estimated cost for the South Dakota
6 portion of the line, \$25.6 million for the
7 11 miles. And for a project of this size we're
8 talking about, from Brookings County to
9 Hampton, a little over 250 miles of
10 transmission line. What we've decided to do is
11 break -- break the line into segments. Those
12 segments would be from substation to
13 substation. The western-most segment obviously
14 is Brookings County, and that would then extend
15 to what we refer to as the Lyon County
16 substation in Lyon County, Minnesota. And that
17 western-most segment is expected to have
18 construction begin in 2013.

19 In Minnesota we have approximately
20 240 miles. The Minnesota Certificate of Need
21 and Route Permits have been approved for the
22 project. I will caution that there is a
23 segment -- a 60-mile segment in Minnesota that
24 is still under review, but that is a segment
25 that is closer to the Twin Cities and has no

1 bearing on where the route comes to in South
2 Dakota.

3 That's a 60-mile segment that deals with a
4 river crossing, and as far as we know at this
5 point we're getting to the tail end of that and
6 would anticipate that that 60-mile gets
7 determined, I would say, in the next one to two
8 months. So, it should be very soon.

9 The cost of the 240 miles in Minnesota, as
10 you can see, \$700 million. And the
11 construction, as I mentioned the different
12 segments of the line, the central and east
13 segments of the line we would expect to have
14 construction begin 2012.

15 So in South Dakota we had to develop a
16 route. We felt the best way to develop the
17 route is talk to the people that you would be
18 routing through and by.

19 So what we tried to do is encourage
20 stakeholder input. We encouraged landowners,
21 agencies and local governments to come out and
22 provide input as to where the line would be
23 routed.

24 This input we really solicited during what
25 we would call an open house. About two years

1 ago we sent out a mailing to landowners in the
2 area around the Brookings County substation and
3 going to the Minnesota border where we felt
4 like there could be a route developed. We sent
5 a mailing to landowners and state agencies,
6 local government to come out and really
7 introduce them to the CapX project and
8 introduce them to the Brookings project and try
9 and help them understand what we were trying to
10 do, and solicit feedback as to what was
11 important to them, not only on their property
12 but in the region.

13 So, we had this very successful open house
14 in White, and followed that up with a second
15 open house about a year later where we had a
16 very preliminary route that we showed
17 landowners, and got them to comment on the
18 routes, what they liked, what they didn't like,
19 what we've done correctly, what we hadn't.

20 And really what I've summarized below in
21 the last bullet, what we heard, these are just
22 sort of the summary of some of the key feedback
23 that we got. Following existing corridors was
24 key. Landowners didn't want to see a
25 transmission line go right across their

1 property. They want us to try and follow
2 existing roads, existing half-section lines,
3 any, you know, field line or common boundary,
4 common corridor that could be followed was very
5 important to landowners so we wouldn't disturb
6 the area.

7 Obviously minimizing impact to landowners.
8 That would certainly involve the placement of
9 poles and the line to a house. People were
10 very concerned about how -- the proximity of
11 the lines to somebody's house. So we were very
12 cognizant of the homes that were on -- that
13 were in the area and how close the line would
14 be to those.

15 And, obviously, minimizing agricultural
16 impacts. Agriculture is a huge part of
17 Brookings County, and we were very sensitive to
18 how we could minimize the impacts, how we could
19 minimize the impacts on the agricultural land.

20 And I would say that really started with
21 our -- with our developments of the single
22 pole, single pole structure with a very small
23 base. You're able to span a very long
24 distance. And we felt like in this project
25 this would be a very good structure to use for

1 this particular project because it really
2 minimizes the impact to the land itself.

3 So now I'd like to go into the routes
4 itself, and I apologize, it's not very easy to
5 see on the overhead here. But if you picked up
6 a handout, that would probably be the best
7 place for you to take a look. For those who
8 can kind of see, I'll point to both the
9 overhead and the map right here.

10 We start out at the Brookings County
11 substation, which, as I mentioned, is Section
12 25 in Sherman Township. We have the Deer Creek
13 station that is being -- pardon me, built just
14 to the north. We have the White substation
15 belonging to WAPA, which is just west of the
16 Brookings sub. So that gives you a sense. We
17 also have the Buffalo Ridge II transmission
18 line project by Iberdrola that runs north/south
19 and then terminates into the Brookings County
20 substation.

21 So we start from the Brookings County
22 substation and then to the northeast. You see
23 this thatched line right here. This is the
24 route that Minnesota approved obviously to the
25 state line. So the distance between that point

1 right there and the Brookings County substation
2 is approximately seven miles. But instead, as
3 I mentioned, instead of routing a straight line
4 from one to the other, we obviously heard from
5 landowners the importance of trying to follow
6 existing corridors.

7 So I will -- I'll try and do my best to
8 walk you through the exact route of the
9 transmission line project.

10 We start from the Brookings County
11 substation, and let me see here, I thought I
12 memorized the road names but I will just go by
13 my map here. 484th Avenue is the avenue that
14 dropped south out of the Brookings sub. About
15 207th Street we then turn east for two miles.
16 We get to County Road 35 where we head north
17 for about a half a mile. The reason for not
18 continuing down 207th Street, I know it's hard
19 to see but the yellow dots represent homes.
20 And there are a number of homes on 207th Street
21 that are very close to the road. And we felt
22 that routing down 207th Street was -- there
23 were better routes to go than going down 207th
24 Street. Excuse me.

25 So, routing a half mile to the half

1 section line and then turning east from there,
2 and I believe that is 487th Avenue where we
3 then turn north, it would be on the west side
4 of the road, 487th then turns into County
5 Road 35 in this area right here. Follow County
6 Road 35 all the way up to State Highway 30.

7 We would be on the north side of State
8 Highway 30, and follow that half mile to the
9 east. And I'd like to point out that we did
10 speak with the South Dakota Department of
11 Transportation. They are aware of our
12 alignment, and would be in favor of us
13 following county -- State Highway 30 near their
14 right-of-way. And so they are aware of that,
15 and we would need a permit from them to be
16 there, but all indications seem like that is
17 fine for right now.

18 Then we have 487B Avenue. This is an
19 abandoned road. It used to be a major road, to
20 my understanding, but now it's an abandoned
21 road, and it's basically used for access to
22 fields. The reason why we didn't continue up
23 County Road 35, again, you will see a number of
24 homes up County Road 35. And at our second
25 open house a lot of landowners really provided

1 some feedback and some concerns of us routing
2 along County Road 35.

3 So, with the help of their suggestions,
4 their ideas, we came up with routing along 487B
5 Avenue. Seemed like a very -- a very
6 reasonable request of theirs. It puts it in
7 the back of the homes in agricultural areas,
8 and also provides us an access to get to the
9 north. Unfortunately the access 487B ends
10 about where the dot is on the map right there,
11 and then goes into Minnesota and goes east.

12 So from that location to the north where
13 we needed to get, that would be considered
14 cross-country.

15 The landowners in that area, there were a
16 couple of landowners, and we had a meeting, got
17 together and determined that based on the --
18 there's an old farmstead that is located sort
19 of where the dot is right there. Based on
20 their ability and their desire to develop that
21 in the future, what we would do is we would
22 take the line, I would say it's about 500 feet
23 to the west, and then there's a field line
24 between two different property owners that then
25 would go north.

1 We would follow that field line to 201st
2 Street, and then be able to hook up with our
3 route in Minnesota. So, it really -- it really
4 was a great collaboration with the landowners
5 to get on the same page as to -- we need to go
6 from Point A to Point B, how do we get there?
7 We took a lot of their suggestions and worked
8 with them to develop this route. And I'm happy
9 to say that out of the 12 landowners that we
10 needed to work with, all 12 have worked with us
11 on easement options, and we have those easement
12 options in hand.

13 And then once we move forward with survey
14 work, and such, we will be able to execute
15 easements with them, and that's what the option
16 is allowing us to do.

17 So, yeah, now I'd like to turn it over to
18 Kevin just to go over some of the design
19 criteria and construction techniques for the
20 transmission line.

21 MR. LENNON: As Dan said, my name is Kevin
22 Lennon. I'm the project manager for the
23 Brookings project. I'm an electrical engineer
24 with approximately 25 years of experience in
25 the design, construction and maintenance of

1 transmission lines and substations up to about
2 500-kV.

3 As we've been talking about here, the
4 proposed route and line specifics for the
5 Brookings project is a double circuit 345-kV
6 structure with single shaft poles. What the
7 double circuit translates to is if you look at
8 the wires hung on one side of this structure,
9 that's a single circuit. The other side is a
10 different circuit. Thus it's called, in
11 utility business, a double circuit.

12 Single shaft poles were designed or
13 determined to be appropriate based on landowner
14 input. It minimizes the square footage that's
15 impacted for foundations.

16 Based on the specific locations and
17 terrain that the structures are located,
18 they'll be approximately 130 to 175 feet tall.
19 The separation or span length between each of
20 those structures will be anywhere from 750 to
21 about 1,100 feet. Again, that's a function of
22 the terrain, what particular features are
23 there, potential placement, requests from the
24 various landowners that the structures will go
25 on.

1 The proposal to you is what is called
2 COR-TEN steel for this structure. Basically
3 the structure itself is just steel. And
4 COR-TEN is essentially a spray-on rust
5 inhibitor. Ironically it looks like the pole
6 is rusting, but that's actually the coating to
7 prevent the rust. And they're brown. They are
8 brown in color.

9 At heavy angles or corner structures, and
10 if you recall from Dan's description, there are
11 some of those intersections of the road where
12 there will be 90-degree angles. These single
13 shaft poles mechanically are not strong enough
14 to take the tension or the mechanical loading.
15 So we need to put in specialty structures that
16 are a little bit more robust at those
17 locations.

18 Even with the pole height, the span
19 length, the specialty structures, the easement
20 width required is still approximately 150 feet.
21 We require a little bit less than that,
22 something like 148, but our easement options
23 are for 150 feet; 75 feet on either side of the
24 center line.

25 My apologies for these pictures really

1 washing out, but the photo in the upper left
2 shows them pouring concrete into basically a
3 foundation hole. The foundation style that
4 we're proposing to use for these is called a
5 drilled pier foundation. Essentially you just
6 have a big drilling rig, effectively with a
7 10-foot diameter drill bit on the back, and you
8 drill a hole into the soil. If the soil is
9 stable enough, the hole won't collapse, and you
10 can just drop your reinforcing steel cages in
11 and then fill the hole back up with concrete.

12 If the soil is not stable enough, say it's
13 a sandy location, then what we do is we'll
14 typically, when they're drilling the hole,
15 they'll put a culvert around that big drill bit
16 and slide the culvert down to provide the
17 mechanical support in the hole as they're
18 drilling. Then they'll pour the concrete in,
19 and in most cases they might pull that culvert
20 back out.

21 On the construction side GRE will be
22 managing the project. They will be responsible
23 for all of the construction contracts. We will
24 be requiring all of the contractors working on
25 the project to follow any of the requirements

1 or conditions that are imposed through the
2 permitting process.

3 There will be other best practices that
4 once -- that we'll be using once exact
5 structure locations are determined during the
6 final design. With that, we'll pass it back to
7 Dan.

8 MR. LESHER: Thanks, Kevin. This
9 basically concludes our presentation. Again,
10 I'd like to thank the commission for allowing
11 us to come and present tonight and give you a
12 little flavor as to the Brookings project and
13 the CapX projects. You can see that the phone
14 number on the top is our toll-free number for
15 CapX. Any landowners or anyone who has
16 questions can call the number. Specifically
17 for the Brookings line itself, myself and other
18 CapX employees are usually the ones who answer
19 the phones and get that to people. We have our
20 website. They have CapX2020.com. A lot of
21 great information is on our website. Our
22 application, fact sheets, any other relevant
23 updates and new information. Below that
24 obviously we have our e-mail address, and I
25 usually get back to people very quickly.

1 So on behalf of myself, Laureen, Kevin, I
2 really appreciate you allowing us to come and
3 spending the time. Thank you.

4 CHAIRMAN KOLBECK: All right. Thank you.
5 All right. As I mentioned before now is the
6 time for public comment. We're heard from our
7 applicant. They've given us a little bit of an
8 overview, and now it's time for you in the
9 office -- office. You all in the audience to
10 take control. Make any comments you'd like.
11 Please remember Ms. Beck is over there, and she
12 needs to get your name. So please speak
13 clearly into the microphone and we'll get it
14 recorded. But who wants to be first? All
15 right. This usually happens and I've got a
16 joke prepared. Oh, Mr. Wilcox has heard my
17 joke before.

18 MR. WILCOX: You can tell the joke.

19 CHAIRMAN KOLBECK: That's okay.

20 MR. WILCOX: Mr. Chairman, Commissioner
21 and Designee, my name is Jim Wilcox,
22 W-I-L-C-O-X. I work for Xcel Energy in South
23 Dakota. And we are a member or participant in
24 the CapX partnership, so we're pleased to be
25 able to appear tonight in support of the

1 project.

2 Xcel Energy has a significant commitment
3 to wind power, and we have probably
4 54-megawatts of power in Brookings County. And
5 this project is an important project to help
6 pave the way for what I hope will be additional
7 projects in the future. I don't know that for
8 sure, but I'm expecting there will be
9 additional projects. So this project is
10 important to help in that process. So we thank
11 you for the opportunity to be here tonight, and
12 I urge your support for the project. Thank
13 you.

14 CHAIRMAN KOLBECK: Thank you, Mr. Wilcox.

15 MR. KOUBA: I always wanted to do this. I
16 won't do that. Mr. Chairman, Commissioner
17 Hanson and members of the staff. My name is
18 Kevin Kouba with Otter Tail Power Company.
19 I'm representing Otter Tail Power Company. We
20 are an investor-owned utility, serve
21 approximately 140,000 customers in Minnesota,
22 South Dakota and North Dakota. We have
23 approximately 12,000 customers in South Dakota
24 stretching from the North Dakota border down to
25 nearly Sioux Falls.

1 I stand here in support of this project on
2 behalf of Otter Tail Power. We support this
3 project. We intend to be a joint owner in the
4 project. We feel the project is a good
5 transmission addition. It's identified as part
6 of a robust planning process. This project
7 provides new generation development
8 opportunities for South Dakota. It also
9 enhances existing generation resources that
10 Otter Tail Power and other utilities have by
11 eliminating congestion. It also, big reason,
12 it enhances regional reliability in the area.

13 Also, we feel the cost allocation as it's
14 being proposed by MISO is fair. It will bring
15 definite economic development benefits to South
16 Dakota primarily related to the ability to add
17 more generation as Mr. Wilcox mentioned, and we
18 certainly encourage the commission to approve
19 this application. Thank you.

20 CHAIRMAN KOLBECK: Thank you for your
21 comments. Anyone else? I think there's some
22 people playing rock-paper-scissors back there.

23 MR. McCOLLAM: Thank you very much,
24 Commissioners. My name is Gavin McCollam.
25 It's spelled G-A-V-I-N. McCollam is

1 M-C-C-O-L-L-A-M. I represent Basin Electric
2 Power Cooperative in Bismarck, North Dakota.
3 I'm the project manager of the Deer Creek
4 station which is being constructed just north
5 of the Brookings County substation. Basin
6 Electric has all the transmission needs that we
7 need for our membership in this area, and the
8 CapX project doesn't impact us one way or the
9 other. That being said, Basin Electric
10 believes that this project is a positive step
11 for future growth in the area as well as
12 overall system reliability, and we therefore
13 support the project. Thank you.

14 CHAIRMAN KOLBECK: Thank you, sir.

15 MR. SECK: Good evening, Commissioner
16 Kolbeck and Commissioner Hanson, members of the
17 staff. My name is Tim Seck, and I'm here
18 representing Iberdrola Renewables, and I'm here
19 to support the project.

20 To give you a little background in
21 Iberdrola Renewables, we're the largest
22 owner/operator of wind in the world, and in
23 South Dakota we have developed 310-megawatts
24 over the last three years, including a
25 210-megawatt project that just recently came on

1 line. Our three projects in South Dakota are
2 located in Brookings and Deuel County. The
3 output of our first project is sold to Xcel
4 Energy, and the second project is sold to
5 Northern Indiana Power Service Company. We're
6 here to support this line for the reasons that
7 Great River pointed out. It will create an
8 outlet for an additional 1,250-megawatts of
9 wind. In particular, for Iberdrola it will
10 provide output for 200 megawatts of wind that
11 we hope to develop in South Dakota. We have a
12 100-megawatt project in Brookings County that
13 is directly dependent on this line getting
14 built, and we have another 100-megawatt project
15 in Deuel County right around Toronto that is
16 directly dependent on this line getting built.

17 So we have a very vested interest in this
18 project being a success, not only for those two
19 projects but we have several hundred other
20 projects in South Dakota that are dependent on
21 this line and additional upgrades beyond this
22 line. So this line is a building block for
23 1,250-megawatts, including 200 of ours in South
24 Dakota, but also several hundred and actually
25 thousands of additional megawatts that hope to

1 follow in the region, including some in South
2 Dakota, and so we couldn't be more supportive
3 of this line and urge your support.

4 CHAIRMAN KOLBECK: Thank you, sir.

5 MR. WAHLE: Thank you Commission,
6 Commission Staff. My name is Ray Wahle,
7 W-A-H-L-E. I am the director of power supply
8 and operations for Missouri River Energy
9 Services. Missouri River serves 60 communities
10 in four states; North and South Dakota,
11 Minnesota, Iowa. And in South Dakota we serve
12 12 communities, the closest one being
13 Brookings. Your lights tonight are being
14 provided by us.

15 We are an investor in this project. We're
16 going to be part owner in this project and
17 obviously we support this project. We think it
18 will enhance the reliability in the area and
19 provide a lot of additional renewable wind
20 generation for it to be built in and around the
21 Brookings area, and I think it will be a great
22 economic development for South Dakota. Thank
23 you.

24 CHAIRMAN KOLBECK: Thank you, sir. Any
25 other comments? Should I break into a musical

1 number? Anyone else? If not -- I'll give you
2 one chance to collect your thoughts, but I just
3 want to reiterate that this meeting is for you
4 all in the office -- in the office -- in the
5 audience. I haven't been in the office all
6 day. I've been traveling all day. Obviously
7 been thinking to myself too much. We will have
8 a hearing on this. It is a docketed item.
9 There will be more to this docket, so the
10 commissioners will have plenty of time to ask
11 questions. We'll have plenty of time to get
12 our thoughts. So if there aren't any more
13 questions, any more comments, going once, going
14 twice, we will conclude our hearing here
15 tonight. Thank you all for coming.

16 (End of Proceeding.)
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1 STATE OF SOUTH DAKOTA)

2 :SS CERTIFICATE

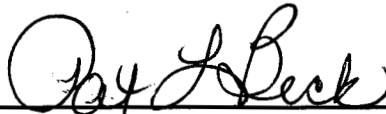
3 COUNTY OF MINNEHAHA)

4
5 I, Pat L. Beck, Registered Merit Reporter
6 and Notary Public within and for the State of South
7 Dakota:

8 DO HEREBY CERTIFY that I took the
9 proceedings of the foregoing Hearing, and the
10 foregoing pages 1-35, inclusive, are a true and
11 correct transcript of my stenotype notes.

12 I FURTHER CERTIFY that I am not an
13 attorney for, nor related to the parties this
14 action, and that I am in no way interested in the
15 outcome of this action.

16 In testimony whereof, I have hereto set my
17 hand and official seal this 13th day of January,
18 2011.

19
20
21 
22

23 Pat L. Beck, Notary Public

24 Expiration Date: June 11, 2011

25 Iowa CSR: No. 1185