

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

EL 13-028

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)
_____)

TRANSCRIPT OF PUBLIC COMMENTS HEARING

BEFORE: PUBLIC UTILITIES COMMISSION
Gary Hanson, Chairman
Chris Nelson, Commissioner
Kristie Fiegen, Commissioner

MILBANK VISITOR CENTER

Community Room
1001 East Fourth Avenue
Milbank, South Dakota

October 17, 2013

7:00 P.M.

Nancy McClanahan
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PROCEEDINGS

(EXHIBIT 1 PREMARKED.)

CHAIRMAN HANSON: Ladies and gentlemen, welcome. My name is a Gary Hanson. I am the chairman of the South Dakota Public Utilities Commission. With me this evening are Commissioners Nelson, Chris Nelson, and Commissioner Kristie Fiegen. I have some business I have to attend to. First of all, I have some information I need to read to place into the record, and then we'll proceed with the hearing. But we appreciate all of you being here this evening.

Our purpose this evening is to hold a public hearing in Docket EL 13-028 titled *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*. The Application submitted by MDU and Otter Tail is for approval of a permit to construct a 345-kilovolt transmission line of approximately 150 to 160 miles in South Dakota. The proposed line will cross the South Dakota-North Dakota border in Brown County, and extend south and east through Brown County, Day, and Grant County to the Big Stone South substation in

1 Grant County near Big Stone City. Modifications to
2 the project may occur depending on the final route
3 permitted, land rights, and final engineering design.

4 We have received several questions from area
5 residents asking why we scheduled this hearing during
6 this particular season, during harvest season. The
7 Commission is required by law to hold a hearing within
8 60 days after the Application was filed, which was
9 August 23rd. We are just about to the end of that
10 period, and the law also states it does not allow us
11 to hold that hearing any sooner than 31 days after the
12 Applicant has given notice to landowners in the
13 project area and published notice in the area papers.

14 So we're fairly hemmed in as far as a
15 scheduling window. Realistically, we have about a
16 10-day window to work with. With the other items that
17 are on our calendar that also have statutory deadlines
18 and finding available locations and times, this was a
19 fairly difficult challenge for scheduling for us. So
20 this is the best time that we felt we could find.

21 I would also note that we did schedule two
22 hearings. The first one, this evening, was in
23 Aberdeen. We did that with hopes that more people
24 would be able to attend, and it seems that it was
25 successful. We had approximately 140 people in

1 attendance at that meeting.

2 So why did MDU and Otter Tail file when they
3 did? There is a reason in our law for that as well.
4 However, I'll allow the companies to explain that when
5 they make their presentation.

6 The purpose of this hearing is to provide
7 information to the public about the proposed project
8 and to receive public comments about the project.
9 Interested persons have the right to present their
10 views and comments regarding the Application. And we
11 would like to encourage you to do so. No decisions
12 are being made today or in the near future.

13 A copy of the Application is on file with
14 each of the Brown County, Day County, and Grant County
15 auditors. You may also access the Application and all
16 our nonconfidential documents in the official file on
17 the Commission's website. That's at www.puc.sd.gov.
18 It's a little bit of a challenge, but if you go to our
19 website and you look under Commission Actions, and
20 then you go to Commission Dockets, because this is a
21 docket, and this is docket in the year 2013, of
22 course. So if you look under Docket EL 13-028, then
23 you'll --

24 **SPEAKER FROM THE AUDIENCE:** Do you have
25 that on paper anywhere? Do you have anything to

1 pass out?

2 **CHAIRMAN HANSON:** No, I do not, sir. I
3 will read this again, though, but if you have, if
4 you go to our website, you can just look up
5 Commission Actions, Commission Dockets, and then
6 EL 13-028. It's the 28th docket, electric docket.
7 And that's how they are shown. "EL" stands for
8 electric. "13" stands for the year. "-028" would
9 mean it's the 28th docket that was filed for
10 electricity in this year. So EL 13-028. Or you
11 can call. You can write and contact the
12 Commission.

13 The parties to this proceeding at this time
14 are MDU, Otter Tail, and the Commission. Under
15 South Dakota law, each municipality, each county, and
16 governmental agency in the area for where the facility
17 is proposed to be constructed or any interested person
18 or organization may be granted party status in this
19 proceeding by making written application to the
20 Commission on or before October 22nd of 2013. We do
21 have applications available here this evening, if you
22 would like to have party status.

23 I need to emphasize to everyone, however,
24 that you do not need to become a party in this case to
25 make your voice heard by the Commission. The reason

1 we're here today is to hear your comments and your
2 concerns about the project. We will also be accepting
3 comments in writing from anyone, either by mail,
4 personal delivery, or e-mail, right up until the time
5 of the decision. You only -- And the Commission by
6 law has 12 months after the Application is filed to
7 make our decision. So that would be August 23rd of
8 2014 that we would have from the time to make our
9 decision.

10 You only need to apply for party status if
11 you want to participate formally in the case by
12 presenting actual testimony and other factual
13 evidence, conducting discovery, cross-examining
14 witnesses, making legal arguments, and to preserve
15 your right to appeal to the courts if you do not agree
16 with our decision.

17 For its permit to be approved, our law states
18 that Xcel and Otter Tail must show that the proposed
19 transmission facility will comply with all applicable
20 laws and rules. That it will not pose a threat of
21 serious injury to the environment or to the social and
22 economic condition of inhabitants or expected
23 inhabitants in the siting area, that it will not
24 substantially impair the health, safety, or welfare of
25 the inhabitants, and that it will not unduly interfere

1 with the orderly development of the region, with due
2 consideration to the views of governing bodies of
3 affected local units of government. Based on these
4 factors, the Commission will decide whether the permit
5 for the project should be granted, denied, or granted
6 upon such terms, conditions, or modifications of the
7 construction, operation, or maintenance of the
8 facilities as the Commission finds appropriate.

9 I would also like to point out that
10 Nancy McClanahan, our court reporter here today. So I
11 ask you to use the microphone, introduce yourself,
12 spell your name when you speak, so that we get it on
13 the record.

14 I will also point out that Brian Rounds, the
15 commission staff, is here today. We want you to feel
16 free to seek him out if you have questions or need
17 help with anything, either here today or in the
18 future. Boyce Hillmer is also here today. He was
19 taking names as you were coming in. He is just
20 helping out and he's not assigned to this case.
21 Karen Cremer is the staff attorney, and Darren Kearney
22 is a staff analyst. They are also assigned to the
23 case, but they were unable to attend this evening's
24 meetings.

25 And I point that out, it's important to

1 understand that as commissioners, we are in a
2 quasi-judicial position. We are acting as judges
3 would in this type of a situation. We are here to
4 receive the Application, which we've received. We
5 then review it. We also go through a hearing in the
6 future, but right now it's an opportunity for public
7 information to be received by the Commission. We
8 have -- Because of that quasi-judicial position that
9 we're in as judges, we're not allowed to go out and
10 chat with folks independently without filing a paper
11 showing the discussion that we had, when it took
12 place, and what was discussed with whom.

13 So that is why we point out that there are
14 people within the Public Utilities Commission,
15 analysts and attorneys, that you can contact, that you
16 can get all of your information from. And if you wish
17 to file something with us, then you simply put it in
18 writing and provide it to us. That will become a
19 permanent part of the record.

20 We will begin the hearing by having the MDU
21 and Otter Tail folks make a presentation to explain
22 their proposed project. Following that presentation,
23 we will take comments from any interested persons or
24 organizations, and we really strongly encourage you to
25 present and make your views known to us, especially

1 from the standpoint of questions and things like that
2 that you believe are unique to your situation.

3 Before we get started, I ask that each of you
4 make sure to put your information on the sign-in sheet
5 so that we'll have a record of who attended; and if
6 you would, we would sincerely appreciate it if you'd
7 turn off cell phones so that we wouldn't be
8 interrupted during the process. Tom Welk will be the
9 spokesman here today for Otter Tail and MDU.

10 So, Tom, would you please introduce the
11 people with you and then go ahead and make your
12 presentation.

13 **THOMAS WELK:** Thank you, Chairman Hanson,
14 Commissioners, and General Counsel Smith. My name
15 is Tom Welk. I'm here with my partner,
16 Jason Sutton. We're attorneys representing both
17 Otter Tail and MDU regarding this permit
18 proceeding. Also here today is Jennifer Smestad,
19 who is the general counsel for Otter Tail.

20 The presentation by the Applicants will be
21 made by Henry Ford, who works for MDU, but he has a
22 number of people that are here that are consultants;
23 and if he is not able to answer some of your
24 questions, some of the consultants that are here,
25 hopefully, they will be able to answer those

1 questions.

2 So with that, I would ask Mr. Ford to proceed
3 with the presentation, Mr. Chairman.

4 **CHAIRMAN HANSON:** (Nods affirmatively.)

5 **HENRY FORD:** Thank you, Tom.

6 Well, as Tom mentioned, my name is
7 Henry Ford. I'm Director of Transmission Engineering
8 with Montana-Dakota Utilities. We are one of the two
9 partners in the project, which I'm sure you have
10 gathered by now. Both Otter Tail and MDU are
11 partnering on this project. We're essentially 50/50
12 partners throughout the project, and I guess I just
13 was the one that drew the short straw and was selected
14 to do this presentation tonight. Go ahead.

15 So what I want to talk about tonight is, is
16 obviously the project, and I'm going to do that by
17 talking about several aspects. I want to start out,
18 though, by giving you just a brief, very, very brief
19 introduction to MDU and Otter Tail so everybody knows
20 who the two companies are. But then I want to talk
21 about project development and how did this project get
22 created and how did this project come to light. I'm
23 going to follow that up with some discussion about the
24 project itself. I'm going to give you an overview of
25 how the project process went through and what the

1 project really is made up of.

2 And I'm going to talk in a little more detail
3 about the routing process itself. I think that's what
4 most people are most interested in is, Why is that
5 line running here instead of over there? And there
6 was an actual process behind that. It may not be
7 perfect like anything in this world, but it was the
8 process we used. So I'll talk a little bit about
9 that.

10 I'm also going to spend a little time talking
11 about the engineering design, basically, so that
12 everyone can understand, this is what the line is
13 going to look like. Then I'll talk a little bit about
14 just the project outreach that we've had today, a
15 little bit of a history lesson, I guess, just to kind
16 of remind everyone of the steps that we have taken to
17 notify everybody about the project and get them
18 information about the project.

19 I'm also going to give a little update on the
20 right-of-way process, where we're at in the process as
21 far as going out and talking to landowners, so that
22 everybody knows that -- I think most of you know, but
23 if you don't, we've been out in the field already
24 talking to landowners. And then just to final it up
25 with where the next steps are in the project and the

1 overall timing of the project.

2 So Montana-Dakota Utilities is one of the two
3 partners involved here, the company that I work for.
4 We're a combination utility in that we serve both
5 natural gas and electricity. We serve primarily
6 within this four-state region that you see here.
7 We're headquartered out of Bismarck, and we serve
8 approximately 312,000 customers between the gas and
9 the electric.

10 On the Otter Tail side, they're an electric
11 company only. They're headquartered out of
12 Fergus Falls, Minnesota, and they serve parts of
13 Minnesota, North and South Dakota. So they have
14 approximately 129,000 customers throughout that
15 three-state area.

16 We're kind of similar companies in a lot of
17 ways, size of companies. This is a very, very big
18 project. I don't think either one of us would really
19 feel capable of tackling a project like this on our
20 own. So that's a lot of the reason why we decided to
21 partner on this project.

22 So talk a little bit about project
23 development. This project was really developed or
24 created by an organization called MISO, and MISO is an
25 organization or a company that represents a lot of the

1 Upper Midwest utilities. So utilities like MDU and
2 Otter Tail are members of MISO. We pay dues to MISO.
3 And MISO is this -- They operate independently.
4 They're the system operator for the transmission
5 system in the Upper Midwest. They also have a
6 planning group, and they do a lot of planning studies
7 for transmission facilities throughout this
8 Upper Midwest area.

9 So it's really their transmission studies
10 that I guess you could say created the project in the
11 sense that their studies were the ones that identified
12 the need for this particular line. Those studies took
13 place over a number of years, but at some point, they
14 determined this particular project was valuable enough
15 that it needed to move forward or important enough,
16 maybe not valuable enough, isn't the right word, but
17 important enough that it needs to move forward sooner
18 than later. Therefore, the MISO board approved this
19 project in December of 2011.

20 So once MISO approves a project, then it's up
21 to transmission owner members of MISO to decide who
22 wants to build this project. So, you know, thinking
23 about in terms of where MDU serves, where Otter Tail
24 serves, we're obviously the most logical location with
25 customers kind of in this general area, we're the

1 logical candidates who would want to build a line like
2 this in this area.

3 So MDU and Otter Tail, we decided that we
4 would like to build this line and we filed a Notice of
5 Intent with the South Dakota Commission March 5 of
6 2012, which is a requirement by statute that we do
7 that within 90 days of MISO essentially putting that
8 project on the table.

9 Following that filing, then, we are required
10 by state law at this point to file our Route
11 Application, our Route Permit Application, within 18
12 months of our filing of our Notice of Intent. So that
13 pretty well required us to file our Application
14 certainly this fall, and we filed it on August 23.

15 And as Mr. Chairman was good enough to
16 explain to you, there is statutes that then control
17 the Public Utility Commission as to when they can
18 schedule the hearing, and they're required within 60
19 days of this filing to hold the hearings themselves.
20 So that's really why the project timing was the way it
21 rolled out. There wasn't really much room there for
22 any of us to really play with the schedule. We're
23 pretty well stuck with the schedule that we've got.

24 Project benefits that were identified,
25 primarily by MISO in this case, was that this project

1 enabled the delivery of low-cost generation. By that
2 they're talking about all of the potential for lower
3 cost, like, wind generation and so forth in this
4 Upper Midwest area, North and South Dakota. And it
5 also increases in system reliability just because this
6 is a large transmission project, has a lot of
7 capability to carry a lot of power. That capability
8 increases the reliability of the system; if other
9 lines would go down, this line is there capable of
10 carrying that power.

11 But in addition to those kind of global
12 benefits for this project, there are certainly local
13 economic benefits that are going to be derived from
14 this project if it were to go forward, and I've kind
15 of broken them out here in the short-term and
16 long-term benefits.

17 When the line is actually under construction,
18 and we're estimating the construction cycle to be
19 roughly three years. So, you know, it's a pretty big
20 project. It's going to take about three years to put
21 this all together. During that time, there is going
22 to be a lot of crew personnel here. We're estimating
23 anywhere from 75 to 150 people will be working on this
24 project at any given time. Those people, obviously,
25 are going to have to be fed. They're going to have to

1 be -- find a place to sleep, places to fuel their
2 vehicle and all of those kinds of things. And over a
3 three-year period, we're estimating that that is
4 probably revenue to the local areas of \$3 million to
5 \$7 million during this construction cycle.

6 At the same time as they're making those
7 expenditures, they're paying taxes on those
8 expenditures. So there is an additional tax benefit
9 in terms of sales and use taxes and other contractor
10 taxes of another \$5.5 million to \$9 million. So those
11 are dollars that would go direct to the communities
12 where these people make their purchases and where they
13 stay and so forth. And those are short-term benefits
14 obviously. Only during the construction of the
15 project will those benefits occur.

16 But even once the project is completed and
17 now this transmission line is energized and is in
18 service, there are long-term benefits to having this
19 project in the sense that this project now is going to
20 have to pay property taxes on the investment that MDU
21 and Otter Tail has made in this line. And what I've
22 got here is just a rough estimate based on what
23 historically MDU and Otter Tail paid for tax rates in
24 the State of South Dakota.

25 And based on line miles in each county, this

1 is kind of a rough idea of what kind of taxes these
2 three counties could see in income on an annual basis.
3 So 715,000 to \$885,000 annually will be coming to
4 Brown County as a result of this project. 535,000 to
5 755,000 will be coming to Day County every year. And
6 490,000 to 605,000 will be coming to Grant County
7 every year in property taxes because of this line.

8 So the project, then, is really what we're
9 here to talk about. And in MISO's study, then, what
10 their determination was, was that there was a need to
11 build a 345 kV transmission line from Ellendale,
12 North Dakota, down to Big Stone, South Dakota. So
13 what you see here are the two endpoints that the MISO
14 studies indicated needed to be tied together with this
15 high-voltage transmission.

16 If you think of 345 kV voltage transmission
17 like an interstate highway, this is a transmission
18 line that's capable of carrying a lot of power, a lot
19 of bulk power, as compared to a lot of the other
20 transmission lines that are already in this area.
21 Those are lower-voltage lines. They don't have as
22 much capability to carry power as a line of this size
23 has. And what happens is as a result of this, because
24 the transmission system is heavily interconnected,
25 really, all over the country. But in this case, you

1 build a line like this from, say, Ellendale to
2 Big Stone, that's actually going to redirect some of
3 the electrical flows off of some of the smaller
4 transmission lines and onto this higher-voltage large
5 transmission line.

6 You know, what's so good about that? Well,
7 the benefit of that is that these lower-voltage
8 transmission lines are now capable of serving more
9 load. So that means that those lower-voltage
10 transmission lines, for example, could be now more
11 capable of having a wind farm interconnected to it,
12 but it's also now capable of serving growth in these
13 small communities throughout this area that those
14 transmission lines maybe wouldn't have been capable of
15 doing had not this transmission line been built.

16 So the line is connecting those two points,
17 and in looking through the route options and so forth,
18 we're anticipating roughly 160 to 170 miles long on
19 this project. Based on that, we're estimating the
20 total project cost, which includes the North Dakota
21 portion, to be about 293 million to \$370 million. So
22 it's a relatively costly project. It would be pretty
23 difficult for Otter Tail or MDU to do this on our own.

24 The South Dakota portion of that now is
25 250 million to \$320 million in investment. So that's

1 the investment in this state that results in the tax
2 levels that I mentioned in an earlier slide. And the
3 goal that we have before us, which is more or less set
4 by MISO, is that we have this line completed and in
5 service by the end of 2019. So that's our target date
6 for completion of this whole project.

7 So we've really got some time here. I mean,
8 this isn't as big of a rush-rush as some projects that
9 have to be built.

10 So we know that we got to get a transmission
11 line from Ellendale, North Dakota, down to Big Stone,
12 South Dakota. We know where those two endpoints are
13 located. Now the challenge really before us is to
14 figure out where that line should run. And,
15 obviously, you can draw an infinite number of lines,
16 you know, between any two points. But you have to
17 think about the impacts along the way. And I'm sure
18 you folks are all a hundred percent in tune with what
19 I'm saying when I talk about impacts.

20 So what we had to look at was the overall
21 length of the line, which relates directly to the cost
22 of this project. We don't want the cost of this
23 project to get overly exorbitant. Ultimately, rate
24 payers are going to be paying the cost of this
25 project, whether they're MDU, Otter Tail, or other

1 MISO member rate payers.

2 We also looked at existing high-voltage
3 transmission lines and transportation infrastructure
4 mainly from the standpoint of, you know, where are the
5 best places to cross these kind of facilities. Are
6 there locations where we can maybe parallel some of
7 these facilities, and that would make some good sense.
8 We looked very closely at as much as possible trying
9 to follow cardinal directions. In other words, we
10 want it to be parallel with a section line, whether it
11 be running east and west or north and south. We
12 really wanted to stay away from running kitty-cornered
13 or diagonally through cultivated lands or really any
14 particular areas as much as we could.

15 One of the biggest factors was trying to
16 avoid populated areas and residences. There are a
17 very large number of rural residences/residents in
18 this part of the state, and we did our best to
19 identify the locations of every inhabited residence
20 out there on the system or within this area and tried
21 to take those into account with the line placement so
22 that we did not have the line come overly close to any
23 of those residences.

24 Then, of course, we have to worry about
25 things like environmental and cultural resources out

1 there, and certain of those have avoidance criteria.
2 There is engineering considerations that comes into
3 this basically in trying to, I would say, design this
4 line in the most efficient way so that the line
5 operates, you know, the best that it can structurally
6 and, you know, physically, as well as electrically.

7 We have a major crossing of the James River
8 on this project. So the location of that river
9 crossing was a fairly significant factor in
10 determining the route of this line. Then at the same
11 time, we've had a number of public meetings where
12 we've gotten public input. We've also met with a lot
13 of state and federal agencies and asked for their
14 input as well. So we've taken all that input and
15 factored it in here as well.

16 So all of these factors which make up our
17 routing criteria were the things that were being used
18 to allow us to make a decision between going in this
19 location or going in that location. Like I say,
20 nothing is a hundred percent perfect. We certainly
21 can't expect that we're going to satisfy absolutely
22 every need and every concern out there, but we feel
23 this criteria has helped us at least come as close as
24 we can to what might be the best route for this
25 project.

1 So this slide kind of shows you somewhat the
2 process that evolved as we -- as we tried to select a
3 route for this project. The solid green and the
4 crosshatched green are corridor areas. Those were
5 then determined pretty much first, looking at in terms
6 of probably more the kind of the macro things like the
7 environmental issues and cultural issues and some of
8 those things that have a wider range impact. You
9 know, wildlife management area, which takes up, you
10 know, many acres. You know, to avoid those, those
11 kind of things.

12 You can see kind of right in the middle there
13 where there is a lot of water. That area was kind of
14 dismissed very early on just because the soils and the
15 water in that area would make it very difficult. So
16 we started out with some corridors and we applied our
17 criteria, and fairly early on dismissed the hatched
18 corridors. A lot of the reason for that is those are
19 the longest line routes; therefore, the most expensive
20 line routes. The route going into Minnesota included
21 two more river crossings and so that greatly increases
22 the cost of the project as well.

23 So through that process of elimination, we
24 were able to get down to what we thought was the two
25 best options that are shown here in blue, and those

1 were our preliminary routes that I think most of you
2 saw in one of our earlier mailings. So those were the
3 preliminary routes, then, that we started to focus on
4 and look at in more detail, look at in terms of some
5 more of the finer details of the routing, things like
6 where is all the residences along this area, things
7 like that.

8 So by applying that criteria, we ultimately
9 came down to the decision that we believe out of all
10 the route options that we looked at and out of all of
11 the criteria that we applied to select a route, that
12 this shook out and really to that criteria the best
13 route for us to look at. So this is the route that we
14 went ahead and filed in the Application with the PUC.
15 This is the route that we're using in our initial
16 contacts with you landowners out there. So this is
17 how we got to this point where this route was
18 selected.

19 And this is where we are today. So we have
20 this route. We're out talking to you folks, the
21 landowners, getting your feedback now on these
22 specific route locations, and seeing if we can get
23 enough support that this route becomes the ultimate
24 actual location of the line.

25 Another thing that we had to do along the

1 line here was make some decision about what this line
2 might look like. So this is the engineering
3 considerations. And I think if any of you folks in
4 the audience here were out at the public input
5 meetings that we held earlier, we talked about a
6 couple of different structure options that we were
7 looking at. One of those structure options was a
8 two-pole, what we call H-frame construction. It's two
9 poles with a crossarm. And that's -- Well, that could
10 be either wood or steel, but. So we had that type of
11 construction that we were looking at.

12 And at the same time, we were looking at this
13 particular design, which we call monopole, meaning
14 that it's a single pole. And based on a lot of the
15 feedback that we got from landowners during our
16 earlier public meetings, we really decided that the
17 best decision to make was to try to stay with monopole
18 construction as much as possible in this route. We
19 heard pretty much from everyone that a single-pole
20 structure has less impact on the line -- on the load,
21 certainly easier to farm around than a two-pole
22 structure or a four-legged lattice tower or something
23 like that.

24 So this type of structure has the least
25 impact, and therefore we made that decision that we

1 would go with this structure. Although it is a little
2 more expensive than the H-frame structure, but we
3 think it's the right decision to make for the project.

4 So what this is, is it's a steel pole, and
5 you can see by the table that the steel poles are
6 going to be between 125 and 150 feet tall aboveground.
7 So they're relatively tall structures. Each one of
8 these structures will be sitting on a concrete
9 foundation. So at every single structure location,
10 where this structure is used, there will be a hole
11 dug, pour the concrete, that this structure will be
12 sitting on. And those foundations will vary in
13 diameter from 6 to 11 feet. Primarily the tangent or
14 this structure that you see on the screen, those
15 foundations are more in the 6-to-7-foot range.

16 Also with this type of structure, we're able
17 to stretch the span length, which is the distance
18 between structures. So the distance between
19 structures on this line is going to range between 700
20 and 1200 feet. On average, probably closer to a
21 thousand feet or 1100 feet. So if you think in terms
22 of a thousand feet per structure -- or per span,
23 excuse me, that's going to amount to roughly five to
24 six structures per mile. So that's kind of the
25 spacing that you would expect to see out here. Every

1 thousand or 1100 feet you'll have another structure.

2 The other important factor here is the
3 minimum ground clearance of the line. The minimum
4 ground clearance, of course, is dictated by code, but
5 we have made the decision that we want to design this
6 line for a minimum clearance to ground of 30 feet.
7 And when I say that, the 30 feet is measured from the
8 ground to the lowest point of the conductor. You know
9 how the conductor hangs between structures, it hangs
10 kind of in a curve like this. There is a point along
11 that curve that is the closest point to ground.
12 Measured from that point to ground and under the worst
13 operating conditions of this line, in other words, the
14 heaviest ice load or the highest temperature that we
15 expect this conductor to be operating at, whichever
16 those conditions are, the worst case where this
17 conductor has the most sag to it, that's where we're
18 maintaining 30 feet.

19 So in other words, under the vast majority of
20 the time, the ground clearance is going to be quite a
21 bit higher than 30 feet. It's going to be more in
22 that range of 35 to 40 feet, something like that. And
23 of course depending on where you are in the span it
24 varies as well.

25 That's basically how the structures are going

1 to look. If you go back to that slide real quick.
2 Also I just want to point out here, what we are
3 talking about is a 150-foot right-of-way. And you see
4 at the bottom there it shows 75 feet on either side of
5 the pole. The 75 feet there is not, of course, shown
6 to scale because that structure that you see there, if
7 you figured it was 150 feet tall, then that 75 should
8 be half that. So, anyway, what we expect is 150-foot
9 right-of-way with the center line in the middle of
10 that right-of-way, and most of the structures will
11 look like this. Go to the next.

12 This slide basically gives you a little bit
13 of an idea of what the construction activity to build
14 a line like this would look like. Beings as these are
15 steel structures, and they're on these concrete
16 foundations, certainly before we can come out and do
17 any construction we'll have a survey crew out there
18 that will essentially stake the center line and stake
19 the location of each structure along that center line.
20 That's really the first thing that's going to happen
21 out there.

22 Once that's done, though, then the real
23 construction crews come in, and the first thing we've
24 got to do is we've got to dig the hole and pour the
25 concrete at each of these foundation locations. And

1 on the upper right-hand corner there you can see what
2 a typical foundation is going to look like before the
3 pole is set.

4 So during that time, when we're waiting for
5 that foundation to cure, the next crew is going to be
6 onsite hauling out the materials for the steel
7 structures, and then we will actually put those steel
8 structures together right onsite right next to where
9 the foundation is poured. Once those steel structures
10 are assembled, a big crane comes in there and it will
11 stand that structure up, lift it up onto the concrete
12 foundation, and then the crew will bolt that structure
13 down to the foundation and get it all plumbed up and
14 then it's ready to go. The next crew comes in and
15 they have to string now the conductor, all the wires
16 from structure to structure to structure to structure,
17 all the way down through the line.

18 That's followed by crews that come through
19 and do what we call clipping, and that's tying the
20 conductor in at each structure location. So there
21 is -- There is really quite a number of steps that go
22 to actually constructing a line right this. We've
23 done a little bit of thinking about it. And I think
24 that, for the most part, you know, if you were a
25 landowner and you had, say, two structures on your

1 property, it's probably going to be a total time where
2 people would be on your property in total something
3 like two to three weeks. But that two to three weeks
4 is going to be spread out over a period of, like, two
5 to three months, because one crew would come through.
6 They're going to be doing the foundations on one
7 structure after another. So they're going to be out
8 ahead of the structure assembly crew. They would be
9 coming in a little bit later. So you can see that
10 there would be a crew in there for a few days, they
11 would leave, and the next crew might not come in for a
12 week or two, and then they would do their part, and so
13 forth. So it's a total of a two-to-three-week, you
14 might say, occupancy requirement over about a
15 two-to-three-month period to get this built, for the
16 most part, in, you know, what would be a landowner
17 parcel.

18 Go ahead.

19 **A SPEAKER:** (Inaudible.)

20 **HENRY FORD:** Yeah, you caught me. Go
21 back. I forgot to mention probably the most
22 important thing. At the very end of the project
23 then, once this conductor is all stringed and
24 clipped in and the line is essentially done, you
25 know, it's energized, it's ready to go, the most

1 important thing then is we come back through with
2 a crew whose sole purpose is to restore the
3 right-of-way. And that means, you know, blading
4 any ruts that may have been created as a result of
5 this, reseeding any of the grasslands areas that
6 may have been disturbed, those kinds of things.
7 You know, when we encounter fences along the
8 right-of-way, typically we cut a gate into that
9 fence, and some of those gates are left and some
10 of those gates may be removed at the end of the
11 project. We usually work with the landowners on
12 that to determine what their preference is. In
13 some cases, we put in a more permanent gate if the
14 landowner prefers.

15 But ultimately when the project is done and
16 we leave, hopefully the project should look something
17 like slide 6 there, where the countryside itself looks
18 pretty much untouched. Although in this one, you can
19 see the trees had to be cleared within the
20 right-of-way on this certain section of the line, but
21 in general, you know, farming occurs right underneath
22 this line once it's in place. Business as usual
23 pretty well continues.

24 Just to kind of remind everyone, I guess, of
25 the outreach that we've done to date on this project:

1 You know, I'm hoping that most of you had an
2 opportunity to attend the public open house meetings
3 that we had. I think those were probably the most
4 important meetings that we had on this project. That
5 was very early in the game where we were still talking
6 in terms of the corridors and many route options and
7 so we were talking much more generalities than maybe
8 we are today. But even prior to the open house
9 meetings, we had sent out quite a number of letters
10 and postcards to affected landowners. You can see I
11 think it's about six or seven times there that we sent
12 information out. We tried to keep the public
13 up-to-speed on where this project is at, how the
14 companies are thinking, and how this project is
15 progressing, and which direction things are looking.

16 I mentioned the open houses. We had two
17 series of open houses. I think the first time we met
18 in five different locations. I think maybe the second
19 meeting or second group of meetings was maybe four
20 locations. But we had a number of open house meetings
21 where we invited the public and we kind of did this
22 same kind of presentation, and then we had a lot of
23 one-on-one time to talk about your particular parcel
24 of land and how close maybe the route was looking to
25 that parcel at that time.

1 We also, of course, have to, you know,
2 thinking back to the routing criteria, we have to be
3 aware of what the agency requirements are, and that
4 may be whether it's a county agency or whether it's a
5 state or federal agency, they've got input as well
6 into this project of potentially where the line could
7 be routed, but primarily, these are the kinds of
8 things that they want us to do as part of the
9 construction of this line, like Fish and Wildlife, for
10 example, telling us, you know, where we will need to
11 place bird diverters on this line to protect the
12 waterfowl, things like that. So we have and are
13 continuing to have discussions with the various
14 agencies on this project.

15 We also have met several times with a few
16 tribal agencies representing both the
17 Sisseton-Wahpeton Oyate Tribe and the Standing Rock
18 Tribe out of North Dakota. So we've really done a lot
19 of work over the last two years to communicate this
20 project out and gather feedback from as many different
21 people and agencies and groups that we really could
22 come up with, I guess you could say.

23 Now, I mentioned that we have started some
24 right-of-way work on the project. I'm hoping that
25 most of you, if you're a landowner on the project,

1 you've already talked to a land agent. There is a
2 fairly significantly-sized team of land agents. There
3 is seven or eight land agents total, I think, that are
4 looking on this project throughout the roughly
5 160 miles or so. And those land agents each have a
6 certain area assigned to them. So hopefully by this
7 time, most of you have met your land agent or you know
8 the name of your land agent. That's the person that
9 you will continue to work with, hopefully, as we
10 discuss the route and the easement payments and so
11 forth.

12 So we started on August 5th going out and
13 making these contacts, basically, from one end to the
14 other of the route, the full 160 miles, North and
15 South Dakota. And I believe as of Monday, which was
16 October 14, we should have contacted by now better
17 than 90 percent of the landowners on the South Dakota
18 portion. So if you're a landowner in South Dakota and
19 you haven't been contacted, I guess I'm not sure why
20 you haven't been, but I think Terry would like to know
21 that. You know, if you're here tonight and you
22 haven't been contacted by a land agent, tonight might
23 be a good opportunity to talk to someone.

24 We've also been successful in getting
25 signatures on 94 options in South Dakota. Ninety-four

1 options is roughly maybe 30 percent of the line
2 mileage in South Dakota, and these options are
3 scattered throughout the line. So, you know, we feel
4 that's relatively good success for being out in the
5 field for roughly two months, but, you know, we're
6 continuing to talk to landowners. We want to talk to
7 landowners. We want to work with landowners. So the
8 most important thing that, you know, you as a
9 landowner can do is talk to our land agents, tell them
10 what your concerns are. If you have ideas for maybe
11 an adjustment to the route that we're not aware of,
12 you know, that, then, we want to know about that.
13 We're looking into several different reroute options
14 today that have been brought to us by landowners. So
15 we're certainly open to any suggestion, and we want to
16 look at all of those different opportunities to place
17 this route.

18 Like I said earlier, you know, we had a set
19 of criteria that we used, which we thought was a good
20 set of criteria to try and find what appeared to be
21 the best route on the project, but we know we're
22 human. We know anything we do is going to be just our
23 best effort. So I'm fully expecting that this route
24 is going to have numerous adjustments to it before
25 this project is completed.

1 So, you know, don't take the location on your
2 property as being this is the only place it's going to
3 go and, you know, I might as well not talk to those
4 land agents when they come around. You're much better
5 off to talk to the land agent, be willing to sit down
6 and spend some time with him and discuss our proposal,
7 and why we've located the route where we've got it
8 and, you know, we'd like to hear your comments back to
9 us as to if you have another idea of where the route
10 should be, we're certainly willing to listen to that.

11 So we've spent a fair amount of time. You
12 can see planning actually started back in 2008. If
13 you remember earlier in the slide, we kind of started
14 on this project in 2012, or even late 2011. What
15 we've been primarily working on is what I've told you
16 about tonight, which is this whole process of trying
17 to choose a route for this project.

18 And that route, of course, is going to
19 require a lot of environmental review. We've got
20 consultants here tonight that are directly involved in
21 that environmental review. That's going to be ongoing
22 for another year or so. The permitting, of course, is
23 going to be ongoing for another year or so. We've got
24 some preliminary engineering work done, but
25 engineering continues to be done as the route is

1 refined, as these route changes come about that
2 affects the design. That affects the location of
3 structures. That's why it's been difficult for us to
4 sit down with you and say, Here is where the
5 structures are going to be on your land. We could say
6 here is where we would like the structures to be on
7 your land. But as we work through these different
8 route changes and so forth, that affects all of these
9 structure locations. So until we get a much stronger
10 idea of where this route is going to be, you know, in
11 other words, once we've got enough of the easements
12 and agreements in place where we know this route is
13 going to work for the majority of the people, then we
14 will be able to tell you with very high precision this
15 is where the structures will be located.

16 So our goals then going forward here is to
17 continue that engineering, to continue this
18 right-of-way work that we're undertaking now. And we
19 want to get to the point hopefully where we can start
20 construction in 2016. Because of the size of this
21 line, we're expecting construction to take anywhere up
22 to three years to complete. So three years takes us
23 into 2019, which is the goal of when this line needs
24 to be energized.

25 So that's basically where we're at on the

1 project, where we're going to be going on the project.
2 Hopefully, I gave you a little bit more information so
3 that you have maybe a little more understanding of why
4 this project is necessary, where this project came
5 from, and what its purpose really is. So that's kind
6 of all I'm going to say as far as introductory
7 comments on the project.

8 Just remind everyone that we do have a
9 website out there that you can continue to watch for
10 information on the project and that website is updated
11 pretty frequently. We also have a toll free number
12 that, you know, we strongly encourage you to use if
13 you want to call and, you know, get some information
14 or if you want to call and just leave a comment about
15 the project, whatever it may be, you can call that
16 hotline. If you need to speak to someone directly,
17 you can leave a message there and say, you know, Would
18 you have so and so give me a call? Whatever the case
19 may be. We have, of course, the newsletter and so
20 forth, and so it's good if you're not on our mailing
21 list, you probably should get on the mailing list so
22 that you can get this information that we're sending
23 out.

24 We also have an e-mail address that you can
25 send comments to or make requests, ask questions and

1 so forth. As I said, you can make comments online.
2 We also have some comment forms here at the meeting.
3 So if you have any comments that you want to make
4 tonight, something you feel that came to your mind and
5 you'd like to get it down before you go home, the
6 forms are, I believe, out here in the entryway where
7 you came in. So go ahead and grab one of those and
8 write your comments and we'll take those back with us.

9 So that's really all I've got at this time.
10 I'll turn it back to the Chairman.

11 **CHAIRMAN HANSON:** Thank you, Mr. Ford.
12 Ladies and Gentlemen, this is your opportunity now
13 to ask questions of the Applicant. And certainly
14 we, as Commissioners, will entertain questions if
15 you have them of the Commission. But this is your
16 opportunity to make comments, give them
17 information that you would feel is pertinent for
18 them in considering the line. At the same time,
19 we very, very much encourage you to do that. We'd
20 like to hear from you.

21 And Brian Rounds has a microphone so I would
22 ask that you raise your hand, that you wait until you
23 have the microphone, and that you state your name and
24 spell your last name so that we will have it for the
25 record in case we need to contact you. Additionally,

1 we have a court reporter here this evening. So try
2 not to speak like an auctioneer, although I think
3 she's pretty good. She spent four hours with us just
4 a little while ago so her fingers might be a little
5 tired, but she's doing a pretty good job.

6 We would appreciate it if you would have some
7 literature or something like that if it's lengthy, you
8 don't need to read that into any type of a formal
9 hearing process here. You can certainly provide it to
10 the Commissioners, and we ask that you be respectful
11 to each other in the discussion. So with that, please
12 raise your hand and this is your opportunity, we
13 really encourage you to ask questions and present
14 information to us. This gentleman here.

15 **LARRY MAGES:** Name is Larry Mages.
16 M-A-G-E-S. I have a -- oh, about five questions
17 for you. Just keep the answers short and I'll
18 keep the questions short.

19 **HENRY FORD:** (Chuckles.)

20 **LARRY MAGES:** Anyway, is there going to
21 be a chance for landowners to know exactly where
22 the poles are going to be set, and then have a
23 chance, time frame of time to visit with someone
24 about maybe moving them a little bit this way or
25 that way so that things work out better on the

1 farm?

2 **HENRY FORD:** Yes. That will certainly be
3 the case.

4 **LARRY MAGES:** How much time will we be
5 given?

6 **HENRY FORD:** Well, we have some
7 preliminary ideas of structure locations today.

8 **LARRY MAGES:** And once you do send out --
9 Are you going to that send that out in the mail,
10 then, where these things are going to be located
11 exactly?

12 **HENRY FORD:** Probably not that, but if
13 you have not signed an option yet, the land agents
14 will be talking to you and they have that
15 information with them. So they'll be able to show
16 you --

17 **LARRY MAGES:** But we will be given an
18 opportunity to move the poles a little bit this
19 way or that way. You got from 700 to 1200 feet to
20 work, so.

21 **HENRY FORD:** Right.

22 **LARRY MAGES:** You can get things on a
23 line better so it doesn't bother the farming.

24 **HENRY FORD:** Yes, we could adjust --

25 **CHAIRMAN HANSON:** Just a second. Just a

1 second, please. We have a court reporter, and if
2 two of you are talking at the same time, she can't
3 do her job. So please, one at a time. Let the
4 other one --

5 **(Unreported brief discussion with reporter.)**

6 **CHAIRMAN HANSON:** No, you can't talk to
7 her while I'm talking either. That's called
8 talking at the same time.

9 **(LAUGHTER.)**

10 **LARRY MAGES:** Okay. Question No. 2, in
11 the offering you guys made from our land agent, we
12 received a package.

13 **HENRY FORD:** Okay.

14 **LARRY MAGES:** And in there was stated a
15 certain amount of money that was going to be
16 received times the number of acres in the
17 easement. And, anyway, my land agent said that
18 actually you're really only offering 80 percent of
19 that. And it doesn't state it in there that
20 you're really only offering 80 percent of that.
21 So why is that?

22 **HENRY FORD:** I think the document that
23 you have is the amount of easement money that
24 we're offering, but the amount that we're offering
25 is based on 80 percent of the land value as we

1 determined it kind of in your area. It may not
2 be --

3 **LARRY MAGES:** No, I didn't re-read it,
4 but I did not see anywhere that it talked about
5 offering 80 percent of that. I didn't see it. Is
6 it supposed to be in there somewhere?

7 **HENRY FORD:** I don't think that the --
8 The document itself that you're seeing is the
9 easement payment offer. So that payment, that
10 money that's listed there is the money that we're
11 offering.

12 **LARRY MAGES:** Well, the land agent said
13 that is not the money you're offering. She said
14 it's 80 percent of that. That's what I was told.

15 **HENRY FORD:** Do you know, Terry, if
16 that's true? I don't think so.

17 **TERRY FASTEEN:** It shouldn't be.

18 **HENRY FORD:** I know Vicky is in the back
19 of the room, and she's probably your land agent.
20 No?

21 **LARRY MAGES:** Okay. Another question.
22 All these taxes that are going to be brought into
23 each county annually paid by the utilities, is
24 that going to take taxes off of the landowners
25 where the line goes through? Or is it just a

1 general amount of money the county receives?

2 **HENRY FORD:** That's a general amount of
3 money the county receives. That's our tax payment
4 on our property that's within the county.

5 **LARRY MAGES:** All right. Thank you. And
6 now this line that's coming through 345 kV-A, is
7 this going to be 345 kV-A times 2, or is it going
8 to be one, or what's the plan there?

9 **HENRY FORD:** There is going to be one
10 circuit. So one 345 kV transmission line.

11 **LARRY MAGES:** Okay. Because I've got a
12 friend that was told the same thing in a different
13 power line that came through in a different place,
14 and then they came through with two times the 345.
15 So just asking.

16 **HENRY FORD:** Yeah.

17 **LARRY MAGES:** Then if someone did settle
18 and sign this thing, when could they expect to be
19 paid?

20 **HENRY FORD:** We're expecting to actually
21 start making actual easement payments close to
22 when the state permit is approved. So right now
23 we're getting these options and as the project
24 progresses, you know, if we get enough options in
25 an area, then we know that this particular section

1 of the line is going to be pretty much staying
2 where it's at. You know, the further along we get
3 in the process and the better sense we have from
4 the permitting process, that, you know, the permit
5 is going to be issued, that's when we make the
6 decision that now we can go out and start making
7 the large payments, which are the easement
8 payments.

9 **LARRY MAGES:** Thank you.

10 **MARLENE HANSEN:** I'm Marlene Hansen.
11 H-A-N-S-E-N. We have some pasture land it's
12 routed through. One of our questions was we rent
13 out the pasture land, and how will this
14 construction affect our operation? How will we
15 know that our tenant's cattle are protected from
16 wandering off or being injured or causing an
17 accident or something during the construction?

18 **HENRY FORD:** Yeah, I don't know what kind
19 of options you have with this tenant or with, you
20 know, how much pasture we're talking about here.
21 Is it just one pasture, or is it broken up into
22 other areas? But typically what will happen is
23 that the contractor as they're coming through, if
24 they know there is cattle in a particular area,
25 they're going to come to the landowner, try to

1 figure out whose cattle it is and go to them and
2 ask them, is there any chance you could move that
3 cattle off of this area before we come in here to
4 do this work? So that's the first thing we would
5 do.

6 And I guess if, you know, if that isn't as
7 easy as that, you know, then we just mainly have to
8 work with the contractor to make sure that the gates
9 are always closed and, you know, materials are picked
10 up and things aren't left open and that could be a
11 hazard to the cattle.

12 **MARLENE HANSEN:** I was thinking like when
13 they dig the holes for the footings, that's going
14 to be pretty large. And since the cattle have to
15 be fenced away from that --

16 **HENRY FORD:** Sure.

17 **MARLENE HANSEN:** -- would the BSSE
18 provide the replacement fencing for that temporary
19 or whatever to keep them away from it?

20 **HENRY FORD:** Yes.

21 **MARLENE HANSEN:** Okay. And, also, our
22 pasture is native prairie. I know there was
23 something in the options about soil compaction for
24 farmland. Do you know what the effect is on the
25 grassland and how long you can expect it to return

1 to normal after being disturbed?

2 **HENRY FORD:** Um, I don't think I know
3 that. Bryan, do you have that? I'm going to ask
4 Brian Hunker, who is our --

5 **MARLENE HANSEN:** Okay.

6 **HENRY FORD:** -- environmental consultant
7 to answer that question.

8 **BRIAN HUNKER:** I'm Brian Hunker. Last
9 name is H-U-N-K-E-R. I work for HDR Engineering.
10 And typically in a setting like a grassland, it
11 usually, the ground won't be torn up, per se. So
12 compaction, you know, the grass will just continue
13 to grow right under -- right in that same area.
14 So although an area is compacted, it probably
15 won't be torn up and the grass will be able to
16 grow in that area.

17 **MARLENE HANSEN:** And another question
18 that we had regarding, say, an ice storm 50 years
19 down the road that would tear down everything.
20 When BSSE comes out to repair it, would the land
21 again be restored?

22 **HENRY FORD:** Yes. Absolutely. You know,
23 as easement holders on your property, it's still
24 our obligation once that line is in service, we
25 have that obligation to continue to restore that

1 land or at least make reparations for any damages
2 that we've caused. You know, any time that we've
3 had a storm on a line, once we've gotten through
4 it, the repairs, we come through and talk to every
5 landowner about what damages have occurred, and
6 that's a -- you know, it's another negotiation.
7 Sometimes the landowner wants to take care of it
8 themselves. We'll pay their costs. Other times,
9 we might do the repairs ourselves, you know. So
10 there is a lot of different options there, but our
11 goal is, yes, to continue to keep that land in the
12 best condition possible.

13 **MARLENE HANSEN:** And I don't know if
14 these types of things are spelled out in the
15 options or not, in the easement options. It would
16 be nice to have it so that it's in there so you
17 can read it and say, Okay, this is -- It's there,
18 it's for my protection in the future, too, and for
19 my grandchildren's protection in the future.

20 **HENRY FORD:** Yeah, it's probably not
21 spelled out in the option document, but the
22 package that you got has a copy of the easement
23 itself, what the language will be for the
24 easement, and I guess I can't right off the top of
25 my head say that it's there, but it should be in

1 there somewhere.

2 **MARLENE HANSEN:** Okay. And one other
3 question too. I read somewhere about when it's
4 disturbed, like manure, if you're pasturing
5 cattle, if that's spread, it can spread disease.
6 Is there any consideration for that? I mean, how
7 much is the soil actually disturbed for the
8 construction in a grassland area? Is that a
9 concern, I guess?

10 **HENRY FORD:** Frankly, that's one I've
11 never heard of before, but all I can say is that
12 we make an effort to limit the amount of
13 disturbance as much as we possibly can. And what
14 that usually means is that the construction crews
15 will continue to travel on one track through the
16 property. In other words, we have a hundred
17 fifty foot right-of-way. We're not going to be
18 driving kitty-wampus all over that entire
19 right-of-way like we own the place, which we
20 don't. We're going to establish the construction
21 path, which is going to be somewhat close to the
22 center line. The only place that it gets bigger
23 than that is right at the location where the
24 structure is at. That's where they do the
25 erection -- or the assembly of the structure off

1 to the side. So there is cranes in there working
2 on that, and that's a little bit larger
3 disturbance area than what you would see down the
4 rest of the right-of-way, but I haven't heard this
5 one about manure spreading disease.

6 **MARLENE HANSEN:** Somewhere I read it
7 might preclude -- that it would be safer to have
8 them off of the -- to not be pasturing ahead of
9 time or during construction because -- (Chuckles.)

10 **HENRY FORD:** Okay.

11 **MARLENE HANSEN:** Thank you.

12 **CHAIRMAN HANSON:** Other questions,
13 please?

14 **DAVID KRUGER:** David Kruger. Good thing
15 I wear a coat with my name so I can get it spelled
16 right. K-R-U-G-E-R. I would like to refer back
17 to the pole position question that the first guy
18 asked. Will we know the exact location of the
19 poles before we have to sign easements, and will
20 those positions be written in the easement for
21 our -- so that we know where they will be? So
22 that we have something to fall back on so that
23 it's where they said they will be?

24 **HENRY FORD:** Right. I believe that what
25 will happen is that the structure locations will

1 be actually staked out in the field before we
2 actually come to you and ask you to sign an
3 easement. So in that sense, you will know, here
4 is the exact center of this particular structure
5 location.

6 As far as being on the easement, every
7 easement will have an exhibit attached to the
8 document, and that exhibit is essentially a map, which
9 shows, you know, the property boundaries and it shows
10 the distance, you know, from the property corner maybe
11 to where the line is, things like that. And then it
12 will show the location of each structure on that
13 exhibit. And that exhibit is filed with the easement.
14 So that's part of the permanent record that becomes
15 filed at the courthouse for the easement.

16 **DAVID KRUGER:** Okay. Let's see what was
17 the other question? Oh, I know. What is the --
18 How close to a right-of-way can the poles be
19 placed; county, state, or township right-of-way?

20 **HENRY FORD:** You know, that varies, I
21 think, somewhat from county to county. There are
22 setback rules. We've run across that, I think, in
23 several of the counties. I don't know if there is
24 any rule of thumb or any -- you know, whether it's
25 the same from county to county. But if it's a

1 county road, there is most likely going to be some
2 kind of a setback. So if, you know, say your
3 fence line is on the right-of-way edge, chances
4 are the county setback rules is going to cause us
5 to push that structure further into the field than
6 maybe we'd like to have it.

7 **DAVID KRUGER:** So that's different with
8 every entity then? I mean, you can't say that
9 it's going to be 75 feet from the right-of-way,
10 that it has to be -- I'm wondering if it has to be
11 or if the poles can be closer to the right-of-way
12 than 75 feet.

13 **HENRY FORD:** I think we'll know that
14 before we start construction, because we will have
15 gotten all the necessary permits and so forth from
16 the counties, which will tell us what the setbacks
17 will be.

18 **DAVID KRUGER:** Last question I think as
19 far as one thing as a landowner we do lose the
20 ability to aerial spray with -- and so is there
21 any plan of compensation, or is that supposed to
22 be built into the price of the land?

23 **HENRY FORD:** Well, we haven't talked
24 about any particular compensation for loss of the
25 ability to aerial spray. I guess we -- seems to

1 me that that would be part of the discussion we'd
2 be having with your -- you know, when you're
3 talking to your land agent. I'm not sure that we
4 know -- I'm not a farmer myself. I don't know, is
5 everybody aerial spraying, or is it only certain
6 fields and certain people? So I think that's a
7 good thing to make your land agent aware of, and
8 that you are doing aerial spraying, and, you know,
9 we can take that into account as best as we can, I
10 guess. I'm not saying that automatically easement
11 price is going to be higher, because there is
12 aerial spraying, but --

13 **DAVID DORSETT:** My name is David Dorsett.
14 It's D-O-R-S-E-T-T. We have land in Grant Center
15 Township, and that land is farmed east and west,
16 because of the way that the land lays. And along
17 the north side of that land, there is an REA line,
18 which is on our side of the road. And as I
19 understand, the weed sprayers are 120 feet wide.
20 Is it possible to set the poles further out into
21 the field than 75 feet? The reason being is so
22 that the sprayer can get between the pole and the
23 right-of-way line?

24 **HENRY FORD:** Yeah, in fact, we, in our
25 initial design of the center line, we had heard

1 this kind of feedback before and had heard this on
2 other projects as well. So we did make the
3 decision on this project that the center line, if
4 it's a section line road or, you know, some road
5 right-of-way line, and it's cultivation along
6 there, that from what we had understood from
7 conversations with other landowners, other
8 farmers, that it's actually preferable because of
9 the setback rules having to have a structure, you
10 know, 50 feet out into the cropland is probably
11 the worst situation that you would rather have it
12 out, like you say, 150 feet, which would allow you
13 then to be able to get the equipment around all
14 sides of that tower. So that's I think in most
15 cases where you're going to see the center line is
16 placed, at least today, and particularly with
17 section line rights-of-way. Quarter line
18 rights-of-way, we're talking -- right now we're
19 talking roughly 10 feet off the quarter line, but
20 we're also looking in some locations we're going
21 to be right on the quarter line. Other locations,
22 we'll, you know, move as needed, so.

23 **DAVID DORSETT:** Okay. Thank you.

24 **GENE BOERGER:** My name is Gene Boerger.

25 B-O-E-R-G-E-R. You talked about the project,

1 low-cost project that this line was supposed to
2 absorb. Could you tell me in any of those
3 projects that are locked in at this time?

4 **HENRY FORD:** I think what you're talking
5 about is on the benefits slide where it says on
6 there that this project supports the delivery of
7 low-cost generation?

8 **GENE BOERGER:** Well, you just -- You just
9 said that this line was for low-cost projects when
10 you were speaking just here a little bit ago. So
11 I'd like to know what those projects are.

12 **HENRY FORD:** Yeah, I don't think I said
13 that, but the project as developed by MISO, the
14 purpose of this line as much as possible is to
15 help encourage the development of all these wind
16 projects that are looking to build in the Dakotas,
17 both North and South Dakota. Right now the
18 transmission system within this area is really
19 overloaded or heavily loaded. So there is really
20 no capacity left for a lot of these wind projects,
21 in particular, that would like to build in this
22 area. There is no transmission capacity left for
23 them to be able to connect to the grid.

24 So when MISO did their studies, that's what
25 they were looking at was, what are the needs for

1 future generation? Where are the most likely
2 locations of this future generation? And how do we
3 get that generation, then, from one location to
4 another? And that's really what determined that this
5 project should be built.

6 So the fact that this project is here, it
7 isn't directly tied to any particular project at this
8 time. There was a lot of projects in the MISO queue
9 that wanted to build wind, that couldn't because the
10 transmission grid was overloaded. So those projects
11 actually got canceled. What I'm expecting is going to
12 happen is as this project moves forward, those wind
13 projects are going to come back into the queue with
14 their plans to develop their projects.

15 **GENE BOERGER:** So how many subs do you
16 got planned? I didn't see any on your line.

17 **HENRY FORD:** Yeah, the only substations
18 will be at Ellendale and at Big Stone. Those are
19 the two endpoints of this project.

20 **GENE BOERGER:** At this time, there is no
21 sub zone applying for any other project?

22 **HENRY FORD:** No, that's correct.

23 **GENE BOERGER:** Where is our actual power
24 coming from that you're going to build this line
25 for today? I believe Otter Tail is overloaded on

1 their plant over here. Does MDU have that much
2 extra power that we'll be shipping it out east?

3 **HENRY FORD:** No. This line is not being
4 built by MDU and Otter Tail to allow us to ship
5 our own power out of here at all. As I said, it
6 was -- The plan of the project is to enable this
7 future development of generation that's going to
8 be required, and with the knowledge that a lot of
9 this generation is most likely going to be wind
10 generation, and it's most likely going to be
11 located here in Eastern South Dakota and Eastern
12 North Dakota.

13 **GENE BOERGER:** But they can't hook up to
14 a 345 line, can they?

15 **HENRY FORD:** They can. Sure. But
16 economically, it's much cheaper to interconnect
17 with a lower-voltage transmission line. And
18 that's why building a 345 kV line, I think as I
19 said earlier, it's like building an interstate
20 highway, and what that interstate highway does is
21 allows cars to get off of these side roads, these
22 secondary roads, and get onto the main interstate
23 and move on down. And what that does from a
24 transmission standpoint is that a lot of these
25 existing transmission lines that are

1 lower-voltage, particularly, the 115 and 230 kV
2 transmission systems, those are the ones that are
3 much more economic for a wind developer to connect
4 to.

5 So by building this large capacity and moving
6 power more efficiently on this interstate highway, the
7 lower-voltage transmission that the wind developer
8 would prefer to interconnect to is now got that
9 capacity that it didn't have before.

10 **GENE BOERGER:** The way I looked at it, I
11 figured that this power is going to come from
12 someplace and go someplace. But it's not going to
13 help anybody in this area at all, because it is an
14 interstate highway with no subs.

15 **HENRY FORD:** I think that probably the
16 transmission system itself the benefits are that
17 when you unload this lower-voltage transmission by
18 building this large transmission, you as -- you
19 know, I don't know if you're a customer of a
20 cooperative or who you are, but these
21 lower-voltage transmission lines that are also
22 interconnected to this system, by unloading those
23 transmission systems, those systems now become
24 adequate to continue to serve load growth at the
25 customer level. If that makes sense. So really

1 what it means is that East River Coop or FEM or
2 whoever it may be probably doesn't have to build
3 this new transmission line because they're going
4 to gain some capacity back on one of their
5 existing lines.

6 **GENE BOERGER:** East River and FEM is a
7 member of MISO?

8 **HENRY FORD:** No, they're not, but their
9 transmission systems are interconnected. Pretty
10 much all companies' transmission systems are
11 interconnected.

12 **GENE BOERGER:** True. Just can't get any
13 off the project --

14 **(INTERRUPTION BY REPORTER.)**

15 **HENRY FORD:** Get on and off?

16 **GENE BOERGER:** Get the power.

17 **HENRY FORD:** Yeah, could you repeat that
18 for --

19 **GENE BOERGER:** Well, you just can't --
20 MISO just doesn't let you buy power off of them
21 whenever, FEM or whoever, do they?

22 **HENRY FORD:** FEM and East River are not
23 customers of MISO. They're not members of MISO.
24 They get their power, you know, from Basin
25 Electric, from WAPA; and MDU as a member of MISO,

1 we get our power off the MISO network.

2 **GENE BOERGER:** I understand. Another
3 question is, when you built this or get this line
4 up --

5 **CHAIRMAN HANSON:** Sir? Sir? Could you
6 hold the microphone just --

7 **GENE BOERGER:** Right here.

8 **CHAIRMAN HANSON:** No, not higher. Lower.

9 **GENE BOERGER:** Lower?

10 **CHAIRMAN HANSON:** Just right about here.
11 Yeah, when it gets up here, it doesn't pick up
12 very well. When it's down here, it's not a lot.

13 **GENE BOERGER:** Okay.

14 **CHAIRMAN HANSON:** Thank you. Thank you.

15 **GENE BOERGER:** Last question here. When
16 you designed this project, you built it right
17 alongside the East River line, like they were
18 talking, we got two lines there. This is an
19 accident waiting to happen, when you've got two
20 power posts setting next to each other. Couldn't
21 you run that out straight and then come at a
22 different diagonal across another East River line
23 or something like that?

24 **HENRY FORD:** Yeah, I guess I'm not
25 familiar with the exact location you're talking

1 about and how close we are to East River, but --

2 **GENE BOERGER:** It's right over the top of
3 the East River line four miles north of town here.

4 **HENRY FORD:** Four miles north of town
5 here.

6 **GENE BOERGER:** Three miles, excuse me.

7 **HENRY FORD:** Okay.

8 **GENE BOERGER:** Couldn't you run that
9 straight out and when we come down -- Excuse me.
10 I'm wrong here. It's actually -- The East River
11 line is one mile out, but you come out and then
12 you come down and then go across the East River
13 line. And I just didn't understand, it should
14 have stayed up there, the three-mile line, and
15 then come down and cross it diagonally would have
16 been a much safer deal.

17 **HENRY FORD:** Safer from --

18 **GENE BOERGER:** Could you bring a shot on
19 the map there of the East River line, river line?
20 Have you got that?

21 **HENRY FORD:** I'm not sure that we have a
22 map here that has East River's line on it.

23 **GENE BOERGER:** Well, East River line is a
24 mile out of town, and you've got about six miles,
25 I believe, five miles, I'm not sure how far we're

1 out, good, along that line.

2 **SPEAKER FROM THE AUDIENCE:** Five mile.

3 **GENE BOERGER:** Five mile?

4 **HENRY FORD:** Okay.

5 **GENE BOERGER:** Isn't there any other way
6 besides having two power lines tied together
7 there? Couldn't you design that different?

8 **HENRY FORD:** So is your concern that the
9 two lines are close together parallelling or the
10 fact that they cross each other?

11 **GENE BOERGER:** The parallelling, they're
12 both coming in from the west going east.

13 **HENRY FORD:** So your concern is that the
14 lines parallel each other --

15 **GENE BOERGER:** True.

16 **HENRY FORD:** -- for a distance.

17 **GENE BOERGER:** And that is an accident
18 waiting to happen when you got a line on the east
19 side of you, and you got a line on the west side.
20 You got poles on both sides and the farmer's got
21 to go around it. Isn't there a better way of
22 doing that?

23 **HENRY FORD:** I'm not sure that there is
24 or isn't. I guess all I can to do is, you know,
25 we'll look into your comments, see what your --

1 specifically what you're addressing here. I think
2 we'll be able to figure it out looking at the maps
3 here and see if there is some concern here that we
4 may have missed in the design. So I appreciate
5 that.

6 **GENE BOERGER:** Okay. Thank you.

7 **GLEN SKARBAKKA:** My name is Glen, with
8 one *N*, Skarbakka. S-K-A-R-B-A-K-K-A. I'm with a
9 company called Geronimo Energy. We are a wind and
10 solar energy developer located in Minnesota.
11 We've got about 1200 megawatts of wind generation
12 under active development right now across the
13 Midwest. We've got customers for about a thousand
14 megawatts of that so far. And we've got about
15 400 megawatts of wind that we'd like to develop in
16 Northeastern South Dakota, but we've been unable
17 to do so because of the lack of transmission.

18 To successfully develop a wind project, you
19 clearly have to have wind, and you've got some of the
20 best wind in the United States in this area. You have
21 to have land, and you have to have transmission. And
22 it's the lack of transmission that really's been
23 impeding our ability and other people's ability to
24 develop wind in this area.

25 The proposed line here will go a long ways

1 towards attracting investment in this part of the
2 state for wind development, but I also want to point
3 out the project is about a lot more than wind. It's
4 also about reliability, which is important to us as
5 generators, but also important to us as residents of
6 the Upper Midwest, and it's also about economy. By
7 that I mean, by adding a major transmission line like
8 this, the transmission grid is better able to utilize
9 the generation that's there and move power around so
10 that as load goes up and down and as fuel situations
11 change, and as outages occur, that the transmission
12 grid has been enforced in a manner that makes that
13 possible and holds down electric costs for everybody.

14 The concept behind all of these uses for the
15 line is called a multi-value project, and MISO has
16 talked about, has looked at this line as part of a
17 larger set of transmission additions across the
18 Midwest and determined that this line truly is needed
19 for these multiple reasons.

20 The Federal Energy Regulatory Commission has
21 also reviewed that and has found that the benefits
22 exceed the costs for this project, again, because of
23 its multiple uses. And just recently, the Seventh
24 Circuit Court of Appeals has upheld the first
25 determination that the cost of benefits of these

1 projects are appropriate. So I just wanted to make
2 these comments in support of the transmission line.

3 As to the last question, there was some
4 question about the ability to interconnect wind
5 projects to the line. While everything that was said
6 is true, that it's oftentimes less costly to connect
7 at lower voltages and adding a major line like this
8 makes that more feasible, it is also possible to
9 connect directly to a 345 kV line. You can't just do
10 it. You have to do studies. You have to get
11 permission to do it from a whole bunch of different
12 agencies to make it happen, but it can be done. And,
13 in fact, we have three projects right now in other
14 states where we're doing exactly that. So that's not
15 to say that would automatically happen or that it in
16 every circumstance would be the best way to do it, but
17 it is technically and financially possible under some
18 circumstances. Thank you.

19 **HENRY FORD:** Yes. Thank you for your
20 comment.

21 **MARLENE HANSEN:** Marlene Hansen.
22 H-A-N-S-E-N. I just heard a question asked a
23 while ago. Does having the lines preclude all
24 aerial spraying on your land? We have pasture
25 land and the only really good way to control the

1 weeds is by spraying it aerially, because it's
2 sort of rough and hilly, so --

3 **HENRY FORD:** I wouldn't think so. I
4 think that that's probably a question for the
5 aerial sprayers themselves. I think in crop,
6 there is probably, you know, a preferred direction
7 to be flying to spray that crop. And so depending
8 on how the line is running, it could be more of an
9 obstacle. On pasture, you probably have more
10 flexibility in how you're going to spray. But
11 it's not -- it's not unheard of and certainly not
12 nonroutine for crop sprayers to actually fly
13 underneath some of these lines. Particularly the
14 lines like this that are so high off the ground,
15 so. I know there is a lot of transmission out
16 there today where there is crop spraying occurring
17 around it. And we don't, as a utility, we don't
18 have any rules or anything that would say that
19 that couldn't be done.

20 **MARLENE HANSEN:** Okay. Well, just the
21 way the route is and is going to be on two
22 directions on our property, seems it could make it
23 a little tricky to get in there with a plane, but
24 it sounded like that it was going to make it
25 difficult for aerial spraying.

1 **JERALD ZUBKE:** Jerald Zubke. Z-U-B-K-E.
2 I was told by the land agent that the lines could
3 not be next to a right-of-way. It had to be a
4 minimum of 75 feet out in the field, but the
5 testimony tonight does not really support that
6 statement.

7 **HENRY FORD:** The 75 feet to me, it sounds
8 like that comes from the section line right-of-way
9 itself. So in other words, typically by virtue of
10 statute, the section line has 75 feet on either
11 side of that set aside for future right-of-way,
12 potentially for right-of-way.

13 **JERALD ZUBKE:** 33 feet each way.

14 **HENRY FORD:** 33, right. In South Dakota,
15 it's 33. Okay. Yeah, I would have to know the
16 specifics to know where the 75 came from.

17 **JERALD ZUBKE:** Evidently, it can go on
18 the right-of-way. You said in certain cases you
19 can, be designed, but it could go on the
20 right-of-way, actually be on the right-of-way?

21 **HENRY FORD:** Yeah, there again, the --
22 The line will be outside typically of road
23 right-of-way, and the counties have setback rules
24 that tell us how far back outside of the road
25 right-of-way that we need to be at.

1 **JERALD ZUBKE:** I was told that it had to
2 be 75 feet out in my field from the right-of-way,
3 and that's not the testimony I'm hearing tonight.

4 **HENRY FORD:** I don't know the specifics
5 on that, so.

6 **JERALD ZUBKE:** Okay.

7 **LeROY SCHLOTTE:** LeRoy Schlotte.
8 S-C-H-L-O-T-T-E. We've got a quarter of land we
9 rent that you'll have to cross, unless we have a
10 major drought. Will the landowner receive
11 compensation for this?

12 **HENRY FORD:** Compensation for what?

13 **LeROY SCHLOTTE:** Crossing this land? It
14 is on a quarter line. There is a dirt road that
15 goes across it.

16 **HENRY FORD:** If we're getting an easement
17 from you, you will be compensated.

18 **LeROY SCHLOTTE:** Well, will the landowner
19 get compensated or us?

20 **HENRY FORD:** Oh, you're the renter,
21 you're saying?

22 **LeROY SCHLOTTE:** Yeah, we're the renter.

23 **HENRY FORD:** So you're wondering as a
24 renter whether you will be compensated.

25 **LeROY SCHLOTTE:** The landowner of the

1 land gets compensated for going across his land?

2 **HENRY FORD:** Yes, the landowner, whoever
3 owns the land gets the easement payment.

4 **LeROY SCHLOTTE:** Okay.

5 **JOHN SMITH:** Brian.

6 **YVONNE PAULI:** Yvonne Pauli. I wonder
7 what MISO is.

8 **HENRY FORD:** (Chuckles.) Did I forget to
9 explain that? MISO, MISO stands for Midcontinent
10 Independent System Operator. And what MISO is, is
11 it's a company whose purpose is to operate the
12 transmission system in the Upper Midwest and
13 various utilities in this area become members of
14 MISO. There was actually a FERC order some years
15 back that more or less said that as a utility you
16 have to join an ISO or an independent system
17 operator. So Otter Tail and MDU made the choice
18 that we would join MISO. They are the operator of
19 the electric grid kind of in this major geographic
20 area so it made the most sense for us to become a
21 member of MISO.

22 And the advantages of that as FERC saw it was
23 that you have an independent agency that now is making
24 the decisions on how this transmission system is going
25 to be operated so they're making decisions based on

1 what's good for the entire region rather than what's
2 good for MDU or what's good for Otter Tail. So the
3 idea there being that that should reduce the risk of,
4 say, outages that might be caused by MDU and
5 Otter Tail independently saying, we're taking these
6 lines down for maintenance, or whatever the case may
7 be, and now because both of those lines are down,
8 something happens over here and it causes a major
9 outage. So there is -- Their big advantage is, to
10 having an organization like MISO, they do this
11 operation on a much larger scale than an individual
12 utility like MDU or Otter Tail would do. They also
13 then do this planning on a regional basis.

14 And that's really what's kind of in a
15 nutshell the whole story behind this particular
16 project is this project is, is -- was developed and
17 planned for and determined a need for based on more of
18 a large geographic area need rather than -- The
19 traditional projects that MDU and Otter Tail would be
20 building would be, I need to build a line from
21 Ellendale to, say, Wishek, because the load in Wishek
22 is growing and I need to bring some more power into
23 there so I need this line. That would be a very small
24 specific project for specifically MDU. This is a
25 project that benefits all of the MISO members.

1 **YVONNE PAULI:** Thank you.

2 **HENRY FORD:** Sure.

3 **MILTON STENGEL:** Milt Stengel.

4 S-T-E-N-G-E-L. The present easement that you
5 asked for the landowner to sign, is that just for
6 this line, or would that allow you to put a line
7 in in the future in the same area?

8 **HENRY FORD:** The easement that we're
9 asking you to sign is strictly for this particular
10 power line. As I've mentioned earlier, the
11 easement will be very, very specific as to what is
12 going to be built there. The description is going
13 to talk about one transmission line. The exhibit
14 is going to show the route of this transmission
15 line, with the actual structure locations. There
16 is nothing in that easement that would allow MDU
17 or Otter Tail or anyone else, for that matter, to
18 come in and build another transmission line on
19 this easement, or in some cases, maybe a gas
20 pipeline or anything else. This easement is for
21 this transmission line only.

22 **MILTON STENGEL:** Okay. And then
23 someplace in there it said loss of income you'll
24 pay, I think it was 200 percent of the crop
25 damage. Is that right?

1 **HENRY FORD:** Yeah.

2 **MILTON STENDEL:** Or a certain percentage,
3 whatever it was.

4 **HENRY FORD:** It does amount to
5 200 percent. In other words, if you -- if we
6 damage crop and it's a certain, let's just say,
7 five acres of crop is damaged and the rest of the
8 crop is harvested, you know what the yield is, so
9 we can calculate basically your loss was this many
10 bushels and the going rate that you got for this
11 wheat or whatever was this. We're going to pay
12 that amount in damages. But we know that probably
13 because we were out there and we caused compaction
14 in the field, that your yield in this particular
15 area is going to be down for a couple more years,
16 at least. And so we pay in addition to that first
17 year of crop loss, we pay an additional amount the
18 second year and third year. We pay it all at one
19 time, but the compensation is for technically
20 three years, and it amounts to 200 percent of what
21 your crop loss was for that particular year.

22 **MILTON STENDEL:** So even if there wasn't
23 a crop growing there, you would take into
24 consideration the compaction for when the next
25 crop is growing?

1 **HENRY FORD:** If there wasn't a crop going
2 there, it was cultivated land but it was in fallow
3 or --

4 **MILTON STENGEL:** Say the crop was
5 harvested in August or September, and then you're
6 in there after that, obviously the cement trucks,
7 the cranes are going to compact the ground.

8 **HENRY FORD:** Uh-huh (Yes). Yeah, I think
9 we would negotiate, you know, some type of
10 settlement for that. I'm not sure how we would
11 approach that, but typically crop -- or typically
12 damages are considered, you know, making you whole
13 for what was damaged. That's our goal.

14 **MILTON STENGEL:** Then with the
15 6-to-12-foot, 6-to-11-foot diameter post, what do
16 you do with the dirt that came out of the hole?
17 That's a lot of dirt.

18 **HENRY FORD:** Yeah. Most of that dirt is
19 going to be hauled away. I'm sure they'll be
20 looking for locations where somebody maybe needs
21 fill and, you know, they will be disposing of it
22 that way. But, yeah, there is no plans. There is
23 no intention that we would try to say spread that
24 dirt around out in your cropland, because most of
25 these foundations are going to be 20 feet deep or

1 more. You know, the soils down at that level are
2 certainly not good for anything, other than fill
3 potentially.

4 **MILTON STENGEL:** Then we're going to get,
5 you say, Grant County will get 409,000 to 605,000
6 in taxes. Will that stay in Grant County, or will
7 it be like Big Stone Power Plant where it spreads
8 statewide?

9 **HENRY FORD:** Well, utilities like MDU and
10 Otter Tail, we are *centrally assessed*, is the term
11 that they use. In other words, we pay our taxes
12 to the state, and the state distributes those
13 taxes. So I guess I can't say for sure how the
14 state distributes those, but the way the state or
15 the way the taxes are calculated are based on what
16 counties we're in and what townships, if the
17 townships have taxes and so forth. So that's all
18 I can say for sure.

19 **DAVID DINGSOR:** You said -- David
20 Dingsor. D-I-N-G-S-O-R. I guess the routes could
21 change in the future; is that correct? These
22 aren't set in stone?

23 **HENRY FORD:** Right. At this point in
24 time, the route is not set in stone, as to use
25 your words. We're negotiating in numerous places

1 right now of adjustments to the route. You know,
2 some minor adjustments, some more significant
3 adjustments, but --

4 **DAVID DINGSOR:** Potentially going over a
5 half mile here, a half mile there, or something
6 like that?

7 **HENRY FORD:** Yes.

8 **DAVID DINGSOR:** I prefer it not to go on
9 my property, if possible.

10 **(LAUGHTER.)**

11 **DAVID DINGSOR:** And I'm sure a lot of
12 people in here (laughter) feel that way.

13 **SPEAKER FROM THE AUDIENCE:** At least he's
14 honest.

15 **DAVID DINGSOR:** Who do you talk to about
16 route preferences or changes? You know, it seems
17 like I've talked to a couple different people but
18 it gets nowhere. You know, it would be nice to
19 have someone, you know, a name and number of
20 someone who actually can do something, you know,
21 than, well, the draw-the-straw person?

22 **HENRY FORD:** The land agent that comes
23 out to you has everything he needs to talk to you
24 about a route change. What he does is he puts
25 together a map and a form or a report on what your

1 recommendation is for this route change. So he
2 puts together this information. We actually have
3 a Route Change Request form that land agents are
4 using out in the field. That request then comes
5 in to really the whole committee, which is made up
6 of, you know, both owners of this project, as well
7 as our consulting firms, and then that route
8 change is analyzed based on all of that original
9 routing criteria, you know, looking at
10 environmental impacts, does this change in route
11 bring you closer to someone else's residence?

12 **DAVID DINGSOR:** No, I understand those
13 things.

14 **HENRY FORD:** All of those kinds of
15 things. That's the process.

16 **DAVID DINGSOR:** What kind of time frame,
17 you know, will they get back to you? Is it, will
18 they get back to you on that or --

19 **HENRY FORD:** Yes, they will get back to
20 you. I think in general we're seeing three to
21 four weeks, maybe, to make the final decision.

22 **DAVID DINGSOR:** From when?

23 **HENRY FORD:** From when we receive the,
24 when the committee gets the Route Change
25 Application.

1 **DAVID DINGSOR:** How often do you guys
2 meet?

3 **HENRY FORD:** Well, actually, we talk
4 about those every Friday.

5 **DAVID DINGSOR:** Okay. Because it's been,
6 you know, it's been a long time since I met with
7 the land agent, so. Yeah, so, you know, I haven't
8 heard back. I tried, informed the land agent
9 moved, and haven't heard back from her so, you
10 know. It would be nice to, you know, have a
11 better response time.

12 **HENRY FORD:** Yeah. What we'll need to
13 check is do we have a form? You know, did you,
14 did you talk about in terms of a specific --

15 **DAVID DINGSOR:** Absolutely.

16 **HENRY FORD:** -- route? Maybe point it on
17 a map, Here is where I prefer the line went?

18 **DAVID DINGSOR:** Yep.

19 **HENRY FORD:** I mean, if that was being
20 talked about, I would think that the form would
21 have been filled out.

22 I'm going to let Terry comment on that.
23 Terry is in charge of all the land agents out in the
24 field, and he's closest to that information so he
25 probably maybe even knows about your specific case, so

1 Terry.

2 **DAVID DINGSOR:** Yeah, that would be nice
3 to talk to somebody.

4 **HENRY FORD:** Grab it.

5 **TERRY FASTEEN:** Got it. Terry Fasteen.
6 F-A-S-T-E-E-N. Kadrmas, Lee & Jackson.

7 Yeah, you and the agent talked. We didn't
8 get a signed form with your request, but we have
9 talked about it. Our agent would like to get back
10 with you. I can get back to you. We'll fill out a
11 form and put you on the map, we'll submit it through
12 the committee and follow the process that Henry
13 brought up. We can take official action on it. I'm
14 going to be down this way next week. If you want to
15 meet with me afterward and give me a phone number, I
16 can get in touch with you.

17 **DAVID DINGSOR:** All right. Okay.

18 **DAVID KRUGER:** David Kruger.
19 K-R-U-G-E-R. I still think that the setback, how
20 close a pole can be to a state highway road,
21 someone here should know that, I would sure think.
22 Maybe the PUC or something?

23 **CHAIRMAN HANSON:** We don't deal in that.
24 Is there somebody from the county that is in the
25 room?

1 **DAVID KRUGER:** Well, every county might
2 be different, but I think the state would have a
3 setback that's got to be 75 feet or a certain
4 distance. I would think -- This isn't the first
5 time we've dealt with this. Someone should
6 have --

7 **JOHN SMITH:** I actually think in some
8 cases, it's basically an application process to
9 the State DOT, and there are actually transmission
10 lines in this state located within the
11 right-of-way. The reason why utilities don't like
12 to do that is there is a state law that says that
13 in the event that the state decides to, for
14 example, enlarge the highway right, or switch from
15 a two-lane to a four-lane, the utility then is
16 responsible for moving that line. And so in
17 general, utilities don't like to locate within the
18 right-of-way corridor itself. That's really the
19 way it tends to work. There is no actual setback
20 requirement, if you get permitted.

21 **CHAIRMAN HANSON:** And for the court
22 reporter, he is John Smith. S-M-I-T-H.

23 **A SPEAKER:** That's the real John Smith.

24 **CHAIRMAN HANSON:** The real John Smith.

25 (LAUGHTER.)

1 **DAVID KRUGER:** So a pole can go in the
2 right-of-way, then, if it's close to the proper
3 channel.

4 **COMMISSIONER NELSON:** If I could just
5 follow up on that, because we did have some
6 discussion in Aberdeen about this very issue. As
7 I examine the Application that was submitted,
8 there are miles and miles and miles of where the
9 line is proposed to be 100 or 200 feet into the
10 field, as opposed to in the right-of-way of the
11 county or township line. And if it was my farm, I
12 wouldn't want that. I'd want it in county or
13 township road right-of-way or right next to it.
14 So we talked about that. And understanding some
15 counties may have setback requirements that don't
16 allow that.

17 And so I guess what I'd simply say to you,
18 whatever county you're from, know what your county
19 setback requirement is; and if there isn't one, then
20 that's an opportunity for you to work with the company
21 if you prefer to have those lines against the road
22 right-of-way as opposed to out in the field.

23 **JERALD ZUBKE:** Jerry Zubke. Z-U-B-K-E.
24 So basically when these lines go next to a
25 township road, the township makes that decision?

1 **COMMISSIONER NELSON:** The township would
2 make a decision whether or not they have a setback
3 requirement, right.

4 **JERALD ZUBKE:** As a township at our
5 annual meeting and we say they can be 33 feet from
6 the center of the road, why, that's what can
7 happen.

8 **JOHN SMITH:** Yes. Oddly enough, even
9 though it's a township road in this state, all
10 actual permitting is done by the county under
11 state law of road -- Well, I'll put it this way,
12 of utility corridors itself used for utility
13 purposes. It doesn't matter what kind of utility
14 it is or phone. And all that is done at the
15 county level, even though it's a township
16 facility.

17 Now, setback requirements might be different.
18 I will say that most of the counties will defer to the
19 townships. They do. But the actual decision is -- I
20 don't know if this thing, is that working?

21 **(Collective responses, unreportable.)**

22 **JOHN SMITH:** Oh, okay. The actual
23 permitting process is conducted by the county, at
24 the county and township road level. Okay? And if
25 it's a municipality, then it's done by the city.

1 **PETE BISGARD:** Pete Bisgard.
2 B-I-S-G-A-R-D. I got a post line on a quarter
3 line between myself and the adjacent landowner. I
4 understand an easement would be purchased from
5 both of us, but if the poles end up on mine, would
6 my easement compensation be higher than his,
7 because I now have the poles?

8 **HENRY FORD:** Yes, it would.

9 **TIM HOLTQUIST:** Tim Holtquist. I live
10 about a mile and a half from where the -- Oh.
11 H-O-L-T-Q-U-I-S-T. I live about a mile and a half
12 from the substation of Big Stone there. And I got
13 a couple questions. One is, there is probably a
14 few of us in here that are not landowners, but
15 we're going to be in sight of this power line.
16 Will we have any kind of say in where that route
17 might be? My question, I guess, to you.

18 **HENRY FORD:** Well, I mean ultimately
19 we're interested in everybody's input. You know,
20 the public meetings that we held were just that,
21 they were public meetings. We invited anyone who
22 had a comment or an interest in the project to
23 come and talk to us. So, you know, we're
24 certainly interested in hearing anyone's comments
25 that would be interested in sharing those with us.

1 **TIM HOLTQUIST:** Okay. My second
2 question, though, is, you said earlier there was
3 about 30 percent of the landowners that have been
4 signed up, which is still 70 percent yet to go?
5 What if there is quite a few that decide not to?
6 What's the next step?

7 **HENRY FORD:** You know, it's going to
8 really depend on, No. 1, the reasons maybe they
9 don't want to sign. You know, if it's --
10 Ultimately, if we cannot come to an agreement, and
11 we've exhausted every other option and maybe the
12 landowners, say, on either side of this particular
13 landowner have agreed to the route, they've signed
14 the easements. So the route in that case becomes
15 pretty much fixed, that it is going to need to
16 cross this particular property. At that point,
17 really, our only recourse would be to go through
18 emanant domain or condemnation.

19 **TIM HOLTQUIST:** Okay. Thank you.

20 **CHAIRMAN HANSON:** Are there further
21 questions or comments?

22 **DAVID HICKS:** David Hicks. H-I-C-K-S.
23 My question kind of comes back a little bit with
24 Gene's over there. When I first received the
25 first letter, they said they didn't know which

1 side of the road they were going to go on coming
2 past my house through, first, that same line that
3 he was saying going to run parallel to. They said
4 they may be on the north; may be on the south.
5 Well, on the north side they said they had
6 150-foot easement. My house is only 150 feet off
7 the road, which basically wasn't going to work.
8 So then they told me, well, we'll probably end up
9 on my south side. At that time, they weren't even
10 aware of that line is what they told me, they told
11 me that line south of Milbank and turn. When I
12 brought it to their attention, they said, well,
13 we'll have to look into that. We'll probably be
14 just outside of that.

15 I'm just a small landowner. Now they
16 probably won't be on my land. They told me that I
17 would have some input on the placement of those poles
18 so they weren't right at the end of my driveway.
19 Beings that I'm not going to probably be getting an
20 easement or any kind of agreement with them, am I just
21 going to get pushed to the side now and they're going
22 to say, Well, the landowner signed, this is where we
23 can put them, and -- There is quite a few other people
24 here that they're going to cross their driveway, they
25 have an easement in place, but they don't necessarily

1 own the farmland on either side. Are they going to
2 put them right there, are the landowners -- even
3 though they don't own the land or have some say or
4 some input and be notified at least?

5 **HENRY FORD:** You know, if we knew about
6 it, we'd certainly be willing to talk with you
7 about it. You know, we don't have any mechanism
8 necessarily in place to know what other people
9 besides the affected landowners we need to
10 contact. I guess if I was in your shoes, I would
11 be talking to my landowner that we are going to be
12 getting -- or your neighbor that we are going to
13 be getting the easement from. And because we're
14 going to be listening to him, as far as where he
15 would prefer the structures to be located. And,
16 you know, if he's asking it to be shifted this
17 way, you know, we're going to try to accommodate
18 him. So if you could work with your neighbor and
19 say, you know, Hey, my driveway is here and would
20 you have a problem with it being moved there? You
21 know, then, we'll be able to accommodate that.

22 **DAVID HICKS:** See, it's kind of a
23 complicated circle, because the guy that rents the
24 land is all for -- you know, I've talked to him
25 and he said, Yeah, that makes perfect sense to put

1 them there, but he doesn't own the land either.
2 So then, you know, now there is three of us
3 involved, and I'm not really involved. I'm just,
4 you know, look at it basically, so. And there is
5 going to be no contact made to me if there is no
6 easement. I'm responsible to contact the
7 landowner and make that connection.

8 **HENRY FORD:** That's true. We wouldn't be
9 seeking you out to talk to you about anything.

10 **DAVID HICKS:** Okay.

11 **HENRY FORD:** We would have no reason that
12 we would know of that we needed to talk to you.
13 But, you know, your other recourse is, well, what
14 we showed here on the last slide was the fact that
15 we have all these other mechanisms to make
16 comments. That's not available to just landowners
17 on the project. You have this comment. You can
18 go out on our website or go to our e-mail address,
19 and you can tell us this information so that we
20 can incorporate it into our design.

21 **DAVID HICKS:** Okay. Thank you.

22 **NEAL DAVIS:** Neal Davis. D-A-V-I-S. I'm
23 also a neighbor to Gene Boerger and Dave Hicks.
24 I'm about a mile east of David on the same street
25 and I'm in the same situation. I've got my

1 driveway and this line, the proposed line is going
2 to be, if it's going to be 75 feet out, which is
3 going to be just about in the middle of the
4 farmer's field, I have no land. I've got a
5 building site around there. And if it goes
6 further to the south, then that's in my trees,
7 something would have to be done there. And it
8 can't go much further north, because we have the
9 line parallel running, riding with the street.

10 Within 33 feet, how tall are they existing
11 lines now for 50-year ice storms like we've had two
12 times in 10 years, and that takes a lot of poles out
13 there. Is it going to fall towards this steel post
14 poured?

15 **HENRY FORD:** I'm not sure that I could
16 answer that. Knowing which way the existing line
17 might fall under certain conditions. I mean,
18 depends on which way the wind is blowing, I guess.
19 But if this is a lower-voltage like a distribution
20 line or something, those are typically only about
21 20 feet tall. The lowest point of our conductor
22 is at 30 feet. So typically speaking, any of
23 these lower-voltage lines could fall over and not
24 contact our lines.

25 **NEAL DAVIS:** Okay. The question

1 Mr. Zubke was saying, if you could be closer than
2 33 feet into the township right-of-way, then
3 you're talking closer to the telephone poles that
4 are existing there. And if you put it closer to
5 the south, then you're affecting my trees. So
6 then you have to be 75 feet from wherever you set
7 that further south, that affects my trees. So
8 then -- I haven't been contacted by no -- of the
9 landowner. I'm a landowner then. So would I be
10 contacted then at that time?

11 **HENRY FORD:** Yes, absolutely.

12 **NEAL DAVIS:** Okay.

13 **CHAIRMAN HANSON:** I'm going to,
14 since I don't see any hands up right now,
15 Commissioner Nelson has another question. Maybe
16 that will prompt some thought amongst people. We
17 still have a few minutes here.

18 **COMMISSIONER NELSON:** Henry, I'm curious;
19 the Ellendale substation, whose lines come in
20 there? Who owns that substation and what sized
21 lines are coming in there?

22 **HENRY FORD:** The Ellendale substation is
23 owned by MDU. The lines that are coming in there
24 are actually three different voltages. There is
25 230 kV transmission, there is 115 kV transmission,

1 and there is also 41.6 kV transmissions that all
2 come into or come out of that substation. One of
3 the lines, one of the 230 kV lines is owned by
4 Otter Tail. The 115 line or one of the 115 lines
5 is actually owned by Northwestern Energy. The
6 other lines are all owned by MDU.

7 **COMMISSIONER NELSON:** Okay. Thank you.

8 **CHAIRMAN HANSON:** Are there any further
9 questions at this time or comments?

10 (HAND RAISED.)

11 **CHAIRMAN HANSON:** I think you folks
12 structured that on purpose so Brian would have to
13 go to this side and then that side and then this
14 side.

15 (LAUGHTER.)

16 **LARRY MAGES:** Larry Mages. M-A-G-E-S.
17 Just a question and then a comment. What is 345
18 kV-A? What is that?

19 **HENRY FORD:** 345 kV is the voltage, the
20 operating voltage of this line. "kV" stands for
21 kilovolt. So 345 kilovolts is 345,000 volts, and
22 on an AC transmission line, you have three wires
23 up there that are called three phases. The
24 345,000 volts is what's measured between any two
25 of those wires.

1 **LARRY MAGES:** I still don't understand
2 it, but --

3 (LAUGHTER.)

4 **LARRY MAGES:** My other comment is, these
5 people who are here tonight who have a line going
6 past the front of their house, but it's not going
7 on their land and are not being offered any money,
8 I am a real estate broker, and I'll just tell you,
9 you guys are losing money. I think you guys
10 should be -- they should be offering money to
11 these people who have this eye sore going passed
12 their place, and I think you should make it
13 somehow available to these people to contact you
14 and have somebody in place to talk to them and
15 compensate them. That's my comment. Thank you.

16 **CHAIRMAN HANSON:** Thank you. Any further
17 questions or comments? Yes, Brian.

18 **BRIAN ROUNDS:** I'll just add that, too,
19 that as staff, being separate from the
20 Commissioners, we're going to be asking a lot of
21 questions of the Applicants. So to the extent
22 that you're maybe impacted but you're not a
23 landowner, you can contact us and we'll -- and we
24 want to ask those types of questions for you. And
25 we've got some contact info at the desk and -- or

1 you can just grab us after the meeting too, so.

2 **CHAIRMAN HANSON:** Thank you, Brian.

3 **COMMISSIONER FIEGEN:** And --

4 **CHAIRMAN HANSON:** Please go ahead.

5 Commissioner Fiegen.

6 **COMMISSIONER FIEGEN:** -- Mr. Chairman.

7 You can also put comments or Brian Rounds and his
8 team will put comments on the website so we can
9 read them. Of course, you can't call the three of
10 the Commissioners because of ex parte, but the
11 three of us really want to know your concerns.
12 And sometimes they don't get to us if they go
13 through a different avenue. So make sure to send
14 comments publicly to Brian that we can all see. I
15 know we all went to the website before we came up
16 here and read the comments that were on there
17 before we came to this meeting today and they're
18 very helpful.

19 **CHAIRMAN HANSON:** Because of the ex parte
20 rules, as Commissioner Fiegen was pointing out,
21 the three of us cannot even discuss this docket
22 with each other. I can't even -- After this
23 meeting is over and we're walking out the door, I
24 can't even start talking to one of the other
25 Commissioners about this docket because of the

1 open meeting law. That's how strict they are. We
2 cannot talk to Brian about this outside of an open
3 meeting. But when we're in an open meeting like
4 this, then the three of us can discuss it. We can
5 listen to what you folks have to say and we can
6 participate in that discussion to an extent.

7 And that's the structure of the open meeting
8 laws and the ex parte rules. If one of you were to
9 stop us out in the parking lot, start explaining
10 something to us and going into something, we get into
11 a conversation, we then are going to have to fill out
12 a letter and state, this is what we talked about with
13 whom, etc. So it's an interesting situation. It
14 doesn't function in a lot of commissions and things of
15 that nature, but that's the way it is in the Public
16 Utilities Commission.

17 We're somewhat even what you'd call
18 trifurcated, in three different parts. We have folks
19 that will work with you. We have other folks within
20 the Commission that work directly with us, and when we
21 get into a hearing process, like with the Keystone
22 Pipeline, we'll have intervenors. Some of you may
23 even become intervenors in this. I think we had
24 something like 80 intervenors in the
25 Keystone Pipeline, so it gets into a very complex

1 situation where you have every party might be
2 represented by different attorneys, and it gets into a
3 rather challenging situation for us, but that's the
4 way the law requires us to function.

5 So we appreciate very much you working with
6 us and all three of us, I'm sure, extend our
7 appreciation to the way the meeting is conducted here
8 by yourselves and your participation and the
9 information that you've brought to us. And remember,
10 we will receive information on this and comment up to
11 the day, up to our ruling, the day of our ruling. So
12 if something comes up, please get in contact with the
13 Public Utilities Commission, Brian or Karen, and let
14 them know what your concerns are. It's always
15 preferable to get it in writing. That makes it easier
16 for all of us and makes certain that we get it the way
17 you want it.

18 So I thank you very, very much your for your
19 attendance. Remember this is not the end of it. No
20 decisions are made by us until -- Matter of fact, it
21 will be interesting for the three of us when we
22 finally sit down after all the process and reading all
23 the materials on the day when we have our final
24 hearing, and then we get to talk to each other about
25 it. So look forward to having more comment from you.

1 Thank you, folks, and please drive home safely.

2 (DEPOSITION CONCLUDED AT 9:08 P.M.)

3
4 * * *

5 STATE OF SOUTH DAKOTA)
6 COUNTY OF CODINGTON) :SS CERTIFICATE

7 BE IT KNOWN that the foregoing record was
8 stenographically reported by me, NANCY McCLANAHAN, a
9 court reporter; and that the foregoing 2 - 93 pages
10 are a true and correct transcript of all the
11 proceedings had upon the taking of said proceeding,
12 all done to the best of my skill and ability.

13 DATED at Watertown, South Dakota,
14 Codington County, on this _____ day of _____,
15 _____.

16
17 _____
Nancy McClanahan, RPR/RMR/NP

18
19 * * *

20 INDEX

21 EXHIBITS: PREMARKED/ATTACHED

22 1 BSSE Public Hearing PowerPoint, 2
23 hard copy, October 2013