

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

NORTHERN STATE UNIVERSITY

Student Center - Centennial Rooms  
1200 South Jay Street  
Aberdeen, South Dakota

October 17, 2013

12:00 P.M.

Nancy McClanahan  
Reporter/RPR, RMR

McCLANAHAN REPORTING

1-800-813-0936  
605-882-0936  
P.O. Box 342  
Watertown, SD 57201

1 **PROCEEDINGS**

2 (EXHIBIT 1 MARKED.)

3 **CHAIRMAN HANSON:** We would ask that if  
4 you are reading something, when it's your  
5 opportunity to chat with us and ask questions that  
6 you speak a little bit more slowly. I have a  
7 tendency, when I read things, to start getting off  
8 real fast and I don't know how court reporters  
9 keep up, but we'd really appreciate it if you'd  
10 help Nancy out that way.

11 I do have a few things that I have to go over  
12 first and formally in order to open it up. We ask  
13 that if you have cellphones, that you put them on  
14 vibrate at this juncture so that we wouldn't have too  
15 many interruptions. And if you're going to speak on a  
16 cellphone, if you need to take a call, please step out  
17 of the room. We occasionally have folks that want to  
18 actually engage in the phone call while they're in the  
19 room and that's pretty disruptive. So we appreciate  
20 your doing that.

21 I'll start out by formally starting the  
22 meeting. My name is Gary Hanson, Chairman of the  
23 South Dakota Public Utilities Commission. With me  
24 here today are Commissioners Chris Nelson and  
25 Kristie Fiegen.

1           Our purpose is to hold a public hearing in  
2 Docket EL 13-028 titled *In the Matter of the*  
3 *Application of Montana-Dakota Utilities Co. and Otter*  
4 *Tail Power Company for a Permit to Construct the*  
5 *Big Stone South to Ellendale 345 kV Transmission Line.*

6           The Application submitted by MDU and  
7 Otter Tail is for approval of a permit to construct a  
8 345-kilovolt transmission line of approximately 150 to  
9 160 miles long in South Dakota. The proposed line  
10 will cross the South Dakota-North Dakota border in  
11 Brown County and extend south and east through Brown,  
12 Day, and Grant Counties to Big Stone South substation  
13 in Grant County near Big Stone City. Modifications to  
14 the project may occur, depending on the final route  
15 permitted, land rights, and the final engineering  
16 design.

17           We received a few questions from area  
18 residents asking why we scheduled this hearing during  
19 harvest season and hunting season, etc., etc. The  
20 commission is required by law to hold the hearing  
21 within 60 days after the application was filed, which  
22 was on August 23. We are just about to the end of  
23 that period. The law also dictates and it does not  
24 allow us to hold the hearing any sooner than 31 days  
25 after the Applicant has given notice to landowners in

1 the project area and published notice in area papers.  
2 So we're pretty hemmed in as far as a scheduling  
3 window. Realistically, we have about a 10-day window  
4 in order to -- as structured by law, in order to  
5 put -- have a meeting take place.

6 With the other items on our calendar that  
7 also have statutory deadlines and finding available  
8 locations and times, this was a difficult scheduling  
9 challenge for us. This is the best we could find.

10 I would also note that we did schedule two  
11 hearings -- The second one will be in Milbank this  
12 evening -- so that people would have the opportunity  
13 to attend after normal working hours if they wanted  
14 to. We understand that that's a bit of a drive, but  
15 we're trying to schedule them in the area as best we  
16 can so that as many people can attend as possible.

17 For those of you standing in the back that  
18 are looking for chairs, we do have three -- Is this --  
19 Are these seats open here?

20 **AUDIENCE PARTICIPANT:** (Nods  
21 affirmatively.) Uh-huh (Yes).

22 **CHAIRMAN HANSON:** So we have at least  
23 four chairs open up here if you'd like to venture  
24 forth.

25 So why did MDU and Otter Tail file when they

1 did? There is a reason in law for that as well.  
2 However, I'll allow the companies to address that in  
3 their opening presentation.

4           The purpose of this hearing is to provide  
5 information to the public about the proposed project  
6 and to receive public comments about the project.  
7 Interested persons have the right to present their  
8 views and comments regarding the Application and we  
9 encourage you to do so. We want to hear from you. We  
10 want to -- It doesn't look like we'll have that  
11 problem today of encouraging you to come up here. We  
12 really want to hear what you have to say.

13           No decisions are being made today or in the  
14 near future. A copy of the Application is on file  
15 with each of the Brown County, Day County, and  
16 Grant County Auditors. You may also access the  
17 Application and all other nonconfidential documents in  
18 the official file on the Commission's website. The  
19 Commission's website is at [www.puc.sd.gov](http://www.puc.sd.gov). You can  
20 look under commission actions and then commission  
21 dockets, and then the 2013 electric dockets, and  
22 stroll down to this docket, is EL 13-028; or you can  
23 call or write or stop at the Commission.

24           The parties to this proceeding at this time  
25 are MDU, Otter Tail, and the Commission. Under

1 South Dakota law, each municipality, county, and  
2 governmental agency in the area where the facility is  
3 proposed to be constructed or any interested person or  
4 organization may be granted party status in this  
5 proceeding by making written application to the  
6 Commission on or before October 22 of this year. We  
7 have applications available here this evening if you  
8 would like to apply for party status.

9 I would like to emphasize to everyone,  
10 however, that you do not need to become a party in the  
11 case to make your voice heard by the Commission. The  
12 reason we're here today is to hear your comments and  
13 your concerns about the project. We will also be  
14 accepting comments in writing from anyone, either by  
15 mail, personal delivery, or e-mail, right up until the  
16 time of our decision. You only need to apply for  
17 party status if you want to participate formally in  
18 the case by presenting actual testimony and other  
19 factual evidence, conducting discovery,  
20 cross-examining witnesses, making legal arguments,  
21 etc., and to preserve your right to appeal to the  
22 Courts if you do not like our decision. So you'd  
23 become an intervenor at that -- if you formally wish  
24 to have party status.

25 For its permit to be approved, our law states

1 that Xcel and Otter Tail must show that the proposed  
2 transmission facility will comply with all applicable  
3 laws and rules, will not pose a threat of serious  
4 injury to the environment, or to the social and  
5 economic condition of inhabitants or expected  
6 inhabitants in the siting area, will not substantially  
7 impair the health, safety, or welfare of any  
8 inhabitants, and will not unduly interfere with the  
9 orderly development of the region.

10           With due consideration of the views of  
11 governing bodies of affected local units of  
12 government, based on these factors, the Commission  
13 will decide whether the permit for the project should  
14 be granted, denied, or granted upon such terms,  
15 conditions, or modifications of the construction,  
16 operation or maintenance of the facilities as the  
17 Commission finds appropriate.

18           Off the record now.

19           **(DISCUSSION OFF THE RECORD.)**

20           **CHAIRMAN HANSON:** Back on the record. I  
21 would like to point out to everyone that we have  
22 Nancy McClanahan, our court reporter here today,  
23 so I ask you to please use the microphone and  
24 introduce yourself and spell your name when you  
25 speak so we get it on the record. I will also

1 point out that Brian Rounds of the Commission's  
2 staff is here today. Brian? There. And we want  
3 you to feel free to seek him out if you have any  
4 questions or need help with anything, either here  
5 today or in the future. Boyce Hillmer is also  
6 here. Boyce? Behind the podium. He's in back.  
7 And he's helping out today. He's not assigned to  
8 the case, but you can chat with him here today.

9           Karen Cremer is a Staff Attorney, and  
10 Darren Kearney is a Staff Analyst. They are also  
11 assigned to this case. They were unable to attend  
12 today. We do have some of Karen's business cards here  
13 today if you need a contact name and number.

14           We will begin the hearing by having the MDU  
15 and Otter Tail folks make a presentation to explain  
16 their proposed project. Following that presentation,  
17 we will take comments from any interested persons or  
18 organizations, and we strongly encourage members of  
19 the public to present your views.

20           Before we get started, I ask that each of you  
21 make sure to put your information on the sign-in  
22 sheets on the record in the back so that we have a  
23 record of the meeting of who attended, and so that we  
24 can make certain that we're able to contact people if  
25 we need to.



1           Tom Welk will be the spokesman here today for  
2 Otter Tail and MDU. Tom, would you please introduce  
3 your folks and you have the floor.

4           **THOMAS WELK:** Thank you, Mr. Chairman,  
5 and Commissioners. My name is Tom Welk. Along  
6 with my partner, Jason Sutton. We represent MDU  
7 and Otter Tail. Also with me today is Jennifer  
8 Smestad, who is the General Counsel for  
9 Otter Tail.

10           The way that we intend to proceed is we have  
11 one individual, Henry Ford, from MDU, who is going to  
12 give the PowerPoint presentation. We also have a  
13 number of consultants and people from the two  
14 companies. If a question is asked and it's an  
15 engineering question and Henry feels that he needs  
16 some help, he'll refer that.

17           So with that introduction, and I also have,  
18 Mr. Chairman, marked and given the court reporter a  
19 copy of the PowerPoint presentation that Mr. Ford is  
20 going to make, and I would ask that that, which has  
21 been marked as Exhibit 1, be introduced into the  
22 formal record.

23           **CHAIRMAN HANSON:** Okay.

24           **THOMAS WELK:** I'll take that that has  
25 been introduced into the record.

1           **CHAIRMAN HANSON:** I'll place it on the  
2 record. Yes, it's been accepted.

3           **THOMAS WELK:** With that, we'll have  
4 Mr. Ford do the presentation, Mr. Chairman and  
5 Commissioners.

6           **HENRY FORD:** I'm not sure how this is  
7 going to work out best. I know that the  
8 arrangement of the room might make it difficult  
9 for a lot of you to see the screen so hopefully  
10 you'll bear with me. But I'm going to be speaking  
11 off the slides that will be on the screen here,  
12 and we'll do this the best we can. I'm probably  
13 going to turn my back to you quite often, because  
14 I'm going to be referring to some of my notes. Go  
15 ahead to the second one.

16           So I just want to say good afternoon to  
17 everybody. Appreciate everybody coming out. I know  
18 the weather is probably conducive to you leaving the  
19 fields and coming in here so I appreciate that. I  
20 appreciate seeing so much interest in the project. I  
21 think the more interest we have from the public, the  
22 better the project should go for us.

23           So my intention today is to cover several  
24 items pertaining to this project. I want to spend  
25 some time, just very briefly, I'll introduce for those

1 of you who don't know us, I'll introduce MDU and  
2 Otter Tail so you have some idea of what these two  
3 companies are. I'm going to give a little description  
4 of the development of the project, basically, how the  
5 project came to be and came to where it's at today.  
6 Also plan to talk about the project details itself,  
7 basically, a project overview of how the project is  
8 going to look and how it's going to be built. Spend  
9 some time talking about the routing process, which is  
10 probably of most interest to everyone. You know, how  
11 did we decide where to run this line? So this, this  
12 is an area that I'll touch on at least briefly. Also  
13 talk a little bit about engineering design, just what  
14 this line is actually going to look like when it's  
15 constructed.

16 I'll give you a little bit of background on  
17 the public outreach that we have been involved in  
18 to date, just for everyone's information, and then  
19 give you an update on where we stand today with our  
20 right-of-way acquisition efforts, because we have  
21 started right-of-way acquisition. And finally just  
22 give you briefly what our next steps are in the  
23 project and how we see this project working forward,  
24 so. Next slide.

25 So just to start out with, and as Tom

1 indicated, my name is Henry Ford. I'm actually the  
2 Director of Transmission Engineering with MDU. So  
3 this is my company, Montana-Dakota Utilities Co. We  
4 are a combination utility meaning we serve both gas  
5 and electric service. And what you can see on here is  
6 the service territory of the utility. Basically those  
7 four states; Montana, North Dakota, South Dakota,  
8 Wyoming. We serve roughly 312,000 customers between  
9 the electric and gas.

10 Otter Tail Power is an electric company, and  
11 they operate in portions of Minnesota, North Dakota,  
12 and South Dakota, cover -- You can kind of see our two  
13 systems overlap a little bit. And they serve  
14 approximately 129,000 customers within those three  
15 dates.

16 So we're the two partners on the project.  
17 We're the two companies that are planning to build  
18 this transmission line.

19 So the project started out as a project that  
20 was developed by an organization called MISO. And  
21 MISO is an independent system operator, which means  
22 that they operate all the transmission system in the  
23 Upper Midwest, and they do that on behalf of the  
24 member utilities. So companies like Otter Tail, MDU,  
25 we actually are members of MISO. So they operate the

1 transmission system for all of the utilities in the  
2 Upper Midwest. They also do a lot of significant  
3 planning studies to determine what is necessary down  
4 the road for additions to the transmission system.

5           So MISO had performed studies for a number of  
6 years, I believe, looking at this particular area of  
7 the country, looking at, you know, what's going on  
8 with load growth, what's going on with generation  
9 potential to serve customers throughout the MISO  
10 footprint. And basically, they determined that there  
11 was a need for a transmission line to be built  
12 essentially from these two endpoints that we're going  
13 to be talking about in just a couple moments here  
14 between Ellendale and Big Stone.

15           So they propose that question or that  
16 project, and then within the MISO organization that  
17 project was approved, which means that now that  
18 project is at a point where it can be constructed.

19           So MDU and Otter Tail, as members of MISO, we  
20 agreed and stated to MISO that we are interested in  
21 building this facility. We then filed a Notice of  
22 Intent to Construct with the South Dakota Public  
23 Utilities Commission March 5 of 2012, and that kind of  
24 is dovetailing with what the Chairman was explaining  
25 to you that we essentially had 90 days to file that

1 Notice of Intent once this project had been proposed.  
2 And once the Notice of Intent was filed, then the  
3 clock starts ticking and we had essentially 18 months  
4 from that point in time to file our Route Permit  
5 Application.

6           So all of these dates are governed by statute  
7 and basically required us to get our Application in by  
8 roughly August 23 of 2013, which is the date that we  
9 filed. And as the Chairman indicated, the reason  
10 we're here today is because of the statute that says  
11 that we have to have the public hearing within 60 days  
12 of the filing of the Application.

13           So that kind of gives you I think some idea  
14 of how the project has progressed from inception to  
15 the point where MDU and Otter Tail are now looking at  
16 building this line.

17           MISO themselves have identified kind of from  
18 this macro-level perspective what they see as benefits  
19 for a project like this. This project enables  
20 delivery of low-cost generation, really, throughout  
21 the MISO network, which in terms of geographic area is  
22 kind of the North Central United States. It also  
23 increases electric system reliability just from the  
24 sake of the fact that you have now high-voltage  
25 transmission duplicating some of the systems that are

1 lower voltage, so you have this -- this increase in  
2 reliability just by nature of that.

3 But in addition to those kind of macro  
4 benefits, a little bit almost pie-in-the-sky benefits,  
5 you might say, that MISO is looking at, there are  
6 definite local benefits, local economic benefits to  
7 this project for the State of South Dakota for this  
8 project. We've listed a couple of them up here.  
9 They're short-term benefits, obviously.

10 During construction, there is going to be a  
11 lot of people in here. We're talking about 75 to 100  
12 people working on construction crews that will be  
13 building this line. We've estimated that during that  
14 roughly three-year construction period, we could see  
15 between 3 and 7 million dollars being spent by these  
16 construction folks. And that may be for materials.  
17 It may be for fuel, meals, motel rooms, all of those  
18 kinds of expenses that will actually occur, you know,  
19 throughout the route, in the communities throughout  
20 the route on this project.

21 In addition, though, there are of course on  
22 top of that, there is the tax benefits. Any of those  
23 purchases are subject to tax and so you've got sales  
24 and use taxes, contractor taxes. That's going to be  
25 an additional 5.5 to 9 million based on our

1 statements. So those are the short-term benefits,  
2 which aren't, I don't believe, insignificant, for  
3 about a three-year period of time.

4           Once this project is actually complete, then,  
5 and in service, there is a long-term tax benefit to  
6 the state and the counties and the townships that are  
7 affected by this project. And both MDU and  
8 Otter Tail, we pay property tax to the state, we're  
9 centrally assessed. Those taxes are then distributed  
10 out to the affected counties. So we've been able to  
11 do some calculations based on what we currently  
12 believe is the cost of this project, as well as the  
13 length of the line, those types of factors.

14           And what we've been able to estimate is that  
15 Brown County should see somewhere in the range of  
16 \$715,000 to \$885,000 annually in property tax  
17 payments; Day County, \$535,000 to \$755,000 in annual  
18 property tax payments; and Grant County, \$490,000 to  
19 \$605,000 annually in property tax payments. So those  
20 are some, I think, relatively significant benefits  
21 that this project will bring to these local areas of  
22 the state.

23           So as I mentioned earlier, MISO, you know,  
24 through their planning study, they determined that  
25 this project needed to be a 345 kV transmission line,



1 and it needed to run from basically Ellendale,  
2 North Dakota, to Big Stone, South Dakota. And from  
3 their perspective and from our perspective, what that  
4 means is that 345 kV is a higher-voltage transmission  
5 line. It is, you might say, comparable to an  
6 interstate highway system when compared to like a  
7 secondary road system.

8           So there is a lot of transmission already in  
9 this area. I'm sure most of you know that. Most of  
10 that transmission is lower-voltage transmission, you  
11 know, 69 kV, 115. What the impact of a line like this  
12 is, is that there is a lot more capacity on this line  
13 to deliver a lot more energy from point A to point B.  
14 What that does is that has a tendency to unload or  
15 reduce the flows, just the same way as an interstate  
16 highway takes the cars off of the secondary roads,  
17 puts them on the main highway, let's those secondary  
18 roads, you know, have more capacity then for other  
19 traffic.

20           So the ultimate effect is that these other  
21 transmission lines, the low-voltage transmission  
22 lines, now have capacity available for potentially  
23 other things like community development and other  
24 singling projects or whatever they may be interested  
25 in interconnecting. So the fact that this one line is

1 being built, it has an impact really in this whole  
2 Eastern South Dakota or Northeastern South Dakota  
3 area, because of how the transmission system works.

4           So knowing that we had to run between  
5 Ellendale and Big Stone, that means that this was  
6 going to be a 345 kV transmission line, as I  
7 mentioned. Essentially, the line is expected to be  
8 between 160 and 170 miles. I mentioned already it's  
9 going to connect Ellendale to Big Stone. Based on our  
10 initial calculations here, we think the project, total  
11 project now -- This includes the North Dakota  
12 portion -- is going to cost somewhere between  
13 \$293 million and \$370 million to build this  
14 transmission line. The South Dakota portion of that  
15 project is somewhere between 250 million and  
16 320 million. And the goal is to have this line built,  
17 completed, and in service sometime in 2019. So before  
18 the end of 2019.

19           So we were given essentially the endpoints.  
20 We were told, Here is, you know, you need to go from  
21 Ellendale and you need to get to Big Stone. How do  
22 you do that? You know, you have to select a route to  
23 get from one point to the other. And so we sat down,  
24 as owners, and really developed a list of what we  
25 thought were criteria from our perspective that have a

1 major impact in how this line would be built as far as  
2 cost, as far as impacts to, you know, the residences  
3 in the area and so forth.

4           And this is really the list that we came up  
5 with. And, you know, overall length and cost, they're  
6 not necessarily listed in order of importance but,  
7 obviously, the longer the line is, the more it's going  
8 to cost. So those two are directly tied.

9           We had to look at existing high-voltage  
10 transmission lines. They serve a function very  
11 similar to this line in that both transmission is the  
12 main highways, and they help unload the lower-voltage  
13 transmission.

14           We had to look at locations where we could  
15 safely cross those lines without creating, you know,  
16 great interference. We also wanted to look at areas  
17 where we might want to parallel some of those, but in  
18 general terms, we don't really like to parallel other  
19 high-voltage transmission because now in that  
20 situation in a storm, for example, you can knock out  
21 two of your main highways, which greatly reduces the  
22 reliability to the system. So there are all those  
23 kinds of factors that we had to look at.

24           Transportation infrastructure is just  
25 highways and byways, essentially that. We needed to

1 be aware of where those are located and make sure that  
2 our crossings of those roads or parallel to those  
3 roads made the most sense for the project.

4           Section lines. You'll see when you look at  
5 the preferred route, that our line tends to do a lot  
6 of kind of stair-stepping motion. It was our feeling  
7 as owners of this project that it would be better to  
8 try to stay parallel to those cardinal directions,  
9 stay parallel to section and quarter lines, rather  
10 than run diagonally or kitty-wampus across cropland or  
11 pasture land. So that was the reason why we ended up  
12 developing the route appearance that you see today.

13           Also, then, look very closely at populated  
14 areas, which includes rural residences. So we made a  
15 fairly intensive effort to identify all of the  
16 occupied homes anywhere throughout the route corridor  
17 area. And our goal was to try to avoid by a great a  
18 distance as possible as many of those residences as  
19 possible. So we have a very small, small number of  
20 some residences that are within, say, 500 feet, but  
21 otherwise most of -- most of the project is well away  
22 from occupied housing.

23           There is, of course, any time you do  
24 something in this day and age, there is environmental  
25 concerns. There is cultural resources concerns. And,

1 of course, we've got engineering concerns. Can you  
2 build a line, you know, over this particular type of  
3 geology? You know, soil conditions come into play.  
4 All those factors also come into play in trying to  
5 determine what's the best route.

6 We have a crossing of the James River on this  
7 project. And we had to make sure that we crossed the  
8 James in what looked like probably the most  
9 economically feasible location for that or the most  
10 practical location.

11 Then we were looking for public and agency  
12 feedback, and we've had, you know, meetings with state  
13 and federal agencies. We've had numerous open houses  
14 with the public and taken that input that we've got  
15 and those comments, we've taken those back and applied  
16 those in our routing process as best as we can. And  
17 that continues to go on today. I think a lot of you  
18 out here know that there is still discussions about  
19 route. So those are the criteria that we used to  
20 select this route.

21 And essentially using that criteria, we  
22 narrowed the original study area, which is -- was  
23 really a box around this whole area, basically the  
24 whole map. We narrowed that down into corridors,  
25 which are the solid green and the cross-hatched green

1 areas that we thought might be potentially good places  
2 to try to run this transmission line.

3           Then essentially what we did was you apply  
4 all that criteria to try to determine where a route  
5 might be within those corridors, and then you run the  
6 math. And you, basically, it's kind of a checks and  
7 balances where you come down to which route really  
8 meets the majority of that criteria at least cost.  
9 That's really the bottom line.

10           So we were able fairly early in the game to  
11 dismiss the -- There is a far right-hand route that  
12 actually crossed into Minnesota for a short time, and  
13 then there is another route that paralleled I-29 up  
14 into North Dakota and goes west. Those routes were --  
15 or those potential routes were thrown out fairly early  
16 in the discussions just because of some of the -- We  
17 had another river crossing, for example, in the case  
18 of the Minnesota route. But, you know, cost overall  
19 drives this project, and we wanted to make sure that  
20 we were coming up with what appeared to be the most  
21 cost-effective route.

22           So those were dismissed fairly early on. We  
23 narrowed it down to basically what you see here in the  
24 blue. Those were the two kind of final-route options  
25 that we had zeroed in on as making the most sense for

1 the project.

2           After, really, after further study of those  
3 two routes, we were able to conclude that using the  
4 routing criteria, again, we were able to conclude what  
5 we felt was the best route from the project's  
6 perspective, and that's on the next slide here.

7           So I think all of you have seen this  
8 particular slide before. This is the currently  
9 preferred route for this project. This is the route  
10 that was part of the Application that we made to the  
11 Public Utilities Commission. This is the route that  
12 the land agents are working with the landowners on so  
13 this is the route right now that we are talking to all  
14 of you landowners that we've talked with as far as  
15 where we believe the line could potentially be routed.

16           So, that's how we're proceeding. That's how  
17 we've kind of gotten to where we are today. It took a  
18 lot of -- It's a very large team of people that are  
19 looking at all of the different aspects of how running  
20 a line at this location affects this factor or that  
21 factor or that factor. So there is a lot of analysis  
22 that goes into route selection, and a lot of times  
23 when you get done, it may not look like the most  
24 logical or obvious route, but it's the route that  
25 overall we believe gives the least amount of impact to

1 the largest number of people. So, that's our route.  
2 Next slide.

3 We also then went through a process of kind  
4 of engineering analysis. We, I think at one of the or  
5 at least the first set of open house meetings that we  
6 had, we were talking in terms of H-frame wood  
7 construction. H-frame is a two-pole construction,  
8 very typical of some of the higher voltage  
9 transmission lines. We initially had started looking  
10 at building the project that way. That is a slightly  
11 lower cost on a per-structure basis.

12 But, you know, we heard the feedback from the  
13 public and really based on that feedback, we made the  
14 decision that we should build this line as what's  
15 called monopole or it's a single pole. And so what  
16 you see here is going to be the most common structure  
17 out on this project. This is what we call a tangent  
18 structure. It's a steel pole and so it's a steel  
19 structure, and it sits on a poured concrete  
20 foundation.

21 So if you look at the little table off to the  
22 right there, you can see that these structures are  
23 going to be somewhere in the range of 125 to 155 feet  
24 tall, above ground. They will be sitting, then,  
25 bolted down to a concrete foundation. That foundation



1 will range from 6 to 11 feet in diameter. Most of the  
2 foundations, because most of the structures are this  
3 tangent type or the type that you see on the screen,  
4 the foundations for those are roughly 6 to 7 feet. So  
5 you're going to be looking at, you know, something  
6 like a 6-foot diameter concrete foundation projecting  
7 from the ground a foot, a foot and a half, something  
8 like that. But you'll have just a single pole, and  
9 that will be your only impact.

10           The span lengths being 700 to 1200 feet.  
11 Span length is the distance between structures. So  
12 from one structure to the next, you know, we're  
13 talking probably on average something like a thousand  
14 feet. So that means that there will be roughly five  
15 structures to a mile. You know, five or six, but  
16 probably on average more like five structures per  
17 mile.

18           We also designed this line, or will be  
19 designing this line for a minimum ground clearance of  
20 30 feet. And ground clearance is the distance between  
21 the ground and the lowest conductor at its worst  
22 condition. So, in other words, whenever that  
23 conductor is sagging the most, what would its distance  
24 above the ground be? So 30 feet is what we're  
25 designing to. That means under the majority of the

1 operation time of this line, the ground clearance  
2 between the conductors and the ground is something  
3 greater than 30 feet. Maybe 35 feet or possibly even  
4 more, depending on the span. And there again, this is  
5 only at the very lowest point of that sag. So you  
6 think in terms of like a jump rope, the lowest point  
7 of that jump rope is 30 feet from the ground.

8           This slide is just to give you a little bit  
9 of an idea of what the construction of this line might  
10 look like. You know, there is going to be several  
11 crews, obviously, running through your property to  
12 construct this line, and there is several stages of  
13 the construction activity starting with just going out  
14 there as a small survey crew and actually staking the  
15 structure locations.

16           Once those locations are found, then there is  
17 a crew that comes out that digs the 6-foot diameter  
18 hole, and it pours the concrete and puts in the rebar  
19 cage and gets the foundation ready. Then there is a  
20 crew that comes in that actually takes the steel  
21 structure materials and puts that structure together,  
22 and then stands it up and bolts it down to that  
23 foundation.

24           So once the structures are actually standing,  
25 then there are other crews that come through that

1 actually string the wire from structure to structure.  
2 We also then have to pull that wire up to a certain  
3 tension, and then we also have to connect the wire at  
4 each structure. So there is a bunch of different kind  
5 of steps that go on in getting this line from, you  
6 know, just a green field to having a standing  
7 transmission line that can be energized.

8           That process alone for any probably given  
9 landowner out here, you know, you're talking about a  
10 number of trips through your property. Probably a  
11 total amount of construction time, if you were to add  
12 all that together, total amount of construction time  
13 of maybe two to three weeks at any given structure  
14 location, but that two to three weeks is probably  
15 spread out over a two-to-three-month time, because of  
16 the different crews that come through and when they  
17 come through.

18           So, you know, if you've got a handful of  
19 structures on your property, there will be activity  
20 possibly going on, say, throughout the summer of  
21 whatever particular year they might be constructing in  
22 your area.

23           Once construction is totally done, all the  
24 crews are gone, there is a final crew that comes  
25 through. Their job is to restore the right-of-way.

1 And our goal there is just to make the best effort we  
2 can to restore that right-of-way to pre-construction  
3 condition. Whether that means reseeding pasture, you  
4 know, leveling, reseeding, any of those kind of things  
5 are part of the right-of-way restoration. There is  
6 fences, of course, that we have to insert gates in.  
7 Some of those gates may stay; some may be removed. We  
8 generally work with the landowners on details like  
9 that.

10 So that's kind of how the construction would  
11 proceed on this project.

12 I talked earlier about some of the project  
13 outreach that we've done today. Hopefully there isn't  
14 anyone in this room, if they're an affected landowner,  
15 that hasn't received numerous mailings from us. And  
16 we have, as you can see, we sent out I think it's a  
17 half a dozen or so different letters and postcards to  
18 all the affected landowners. We've also sent  
19 communications out to all kind of affected agencies  
20 and other stakeholders, county government bodies and  
21 so forth. So there has been a lot of outreach to  
22 landowners, as well as agencies, as well as local  
23 jurisdictions, I guess you could say.

24 Hopefully most of you had a chance to attend  
25 at least one of our two open house meetings we had.

1 Each of those dates there represent actually four or  
2 five open house meetings that we held. You know, we  
3 held one early on in the project before we had come  
4 down to any kind of idea of a route. We held a second  
5 one after we had essentially narrowed this down to  
6 close to the preferred route. So hopefully all of you  
7 had a chance to attend those and make your input known  
8 to us.

9 We also have a project newsletter. Those  
10 newsletters I think were all made available. If you  
11 haven't seen one for some reason, there was some that  
12 were laid out, I believe, at the front desk. Those  
13 newsletters we're kind of sending out as we see the  
14 need. Something happens, you know, on the project, a  
15 milestone or something, then the newsletter comes out.  
16 So it's not on a specific mailing schedule. But the  
17 newsletter is a good source of information on the  
18 project and the project status.

19 We had meetings with county governments that  
20 I mentioned. We didn't necessarily attend any county  
21 commission meetings, but we had REDX informational  
22 meetings with members of the county commission and  
23 other interested commission -- or county employees.  
24 And then we've also met fairly extensively with  
25 several tribal agencies of a couple of the tribes in

1 the general area there.

2           So we've been working, I think, fairly  
3 diligently here for the last two-plus years to make  
4 sure that everyone knows about this project, knows why  
5 this project is coming, and just what the project is  
6 all about.

7           I mentioned the right-of-way acquisition  
8 process has been started. We started at -- August 5th  
9 we actually released land agents to the field. And as  
10 of October 14, this data is as of this past Monday, we  
11 have been able to successfully contact actually over  
12 90 percent of the South Dakota parcel landowners. A  
13 lot of those are, you know, face-to-face meetings.  
14 We've sat down and gone through with the landowner the  
15 easement package that we put together to explain the  
16 easement process, explain the payment process we're  
17 proposing, all of that.

18           As a result of that, we've gotten 94 parcel  
19 owners to date that have signed options. We're out  
20 securing options at this point rather than the  
21 easements. And 94, it's roughly about 30 percent of  
22 the South Dakota route we now have options signed. We  
23 actually feel that's pretty good progress considering  
24 that we've really only been out for just a little over  
25 two months, and the fact that we've already secured

1 almost 30 percent of the route. So that's kind of how  
2 we stand today.

3           Where are we going to go from here? Well,  
4 hopefully, we're going to continue on the road to  
5 construction of this project. We are currently  
6 continuing work with environmental review and  
7 permitting, including this process today. We also  
8 have engineering activity going on, and as I just  
9 described, we have a lot of right-of-way activity  
10 going on.

11           The goal here is that we would be finished  
12 potentially with right-of-way acquisition maybe  
13 towards the end of 2015, which would allow us then to  
14 get the design finalized, get the structure materials  
15 ordered, and be able to physically start construction  
16 of the line in 2016. And we're saying construction,  
17 you know, this is a pretty long line, construction of  
18 a line of this type, that length, can very easily take  
19 up to three years. So that's why we need to start in  
20 2016 in order to complete this project by the end of  
21 2019, which is our goal.

22           So that's pretty much all I wanted to say as  
23 kind of an introduction to the project right now. I  
24 just remind you all that we do have our website out  
25 there, that you can continue to check at any time

1 that's going to be a good resource for information  
2 about the project, what's the status of various  
3 aspects of the project. We also have our toll free  
4 line that you can call and leave your comments on as  
5 well.

6 We have a mailing list so if you're not  
7 getting the newsletter, it means that you're not on  
8 our mailing list for some reason. So you can sign up  
9 today or you can, I believe, sign up on the website or  
10 you can leave a message on the toll free hotline that  
11 you want to sign up for the newsletter. That's  
12 another, a good source of information. So feel free  
13 to utilize any of those tools out there that would  
14 help you stay abreast of the project.

15 You can make comments today. I believe we  
16 have some comment forms available today. So you can  
17 write a comment if you prefer. And you can do that at  
18 any time using the hotline or the website or the  
19 e-mail address that we have up here on the screen.

20 So that's kind of the end of my story. I  
21 guess at this point I'll turn it back to Tom or  
22 Commissioner Chairman.

23 **CHAIRMAN HANSON:** Thank you very much for  
24 the presentation. How are you doing, Nancy?

25 **THE REPORTER:** Good.



1           **CHAIRMAN HANSON:** Okay. What we'd like  
2 to do now is we have Brian Rounds with a  
3 microphone. He'll be walking around. We'd like  
4 you to -- We really encourage you to make  
5 comments. We'd like -- Obviously, be respectful.  
6 What we're interested in here, we are interested  
7 as Public Utilities Commissioners in hearing what  
8 your concerns are. At the same time, you have the  
9 opportunity right now, the Applicant is here.  
10 They have their experts here. We want you to ask  
11 the questions that are on your mind that you need  
12 answers to of the Applicant. So you have both of  
13 those avenues right now.

14           But at the same time, as has been mentioned,  
15 if you wish to contact us by letter, by e-mail,  
16 however, you can certainly do that. If you do send us  
17 a letter, because this is a docketed item, we act --  
18 we're in a quasi-judicial position here. We act as  
19 judges. At this juncture, we're just listening to  
20 information and hearing some testimony, things of that  
21 nature. But this is your opportunity to gain  
22 information. So we're turning it over to you at this  
23 point so that you can have an opportunity to ask those  
24 questions.

25           **KEN VOGELE:** My understanding -- I'm

1 Ken Vogele. V-O-G-E-L-E. My understanding is  
2 that our right-of-way rights where the  
3 transmission line goes are lost forever, and I'm  
4 wondering what, what rights we're giving up or  
5 what rights the companies have once the power line  
6 goes across our land.

7           For example, let's say this power line is  
8 taken down at some time in the future, but the company  
9 decides they want to run a big oil pipeline across our  
10 land. Can that sort of thing be done? I want to know  
11 all the things that the company can do in our  
12 right-of-way into the future.

13           **CHAIRMAN HANSON:** I'm going to let the  
14 Applicant answer that, because we are not involved  
15 in the process of eminent domain. That would be  
16 before a court.

17           **HENRY FORD:** Yeah, or whether it's  
18 eminent domain or whether it's just securing an  
19 easement, you're just wondering what those  
20 easement rights actually are. Generally speaking,  
21 the way an easement is written, the easement will  
22 be for this line only. So if at some point in the  
23 future this line is removed, nothing else could be  
24 built on that same easement.

25           The easement is going to describe an electric

1 transmission line. You know, it's going to have that  
2 language in there that is specific to the project. It  
3 will also have an attachment or an exhibit with the  
4 easement that shows you exactly where the center line  
5 of the line goes, shows you where the structures will  
6 be placed on your property. So it's about as precise  
7 a document as you can get as far as what this easement  
8 is for.

9           And easement rights really for us as a  
10 company, those rights are only to construct and  
11 maintain, you know, to place this power line on this  
12 strip of land. The easement will describe this as a  
13 strip of land, a hundred fifty feet wide, 75 feet on  
14 either side of the center line, and then it will  
15 describe the center line. So you'll have basically a  
16 survey description of the center line that says, Here  
17 is where the line is at. And 75 feet on either side  
18 of that is what we will hold as an easement. And the  
19 only reason for that is to be able to get in and do  
20 any future work on that line, if a structure should  
21 fall over or something breaks, or we just need to go  
22 through and do inspections. You know, those kind of  
23 things are going to happen. So the easement gives us  
24 the right to come onto your property once the line is  
25 standing in order to do those inspections and that

1 maintenance, and the easement gives us the right to  
2 have the line there. That's really the extent of what  
3 the easement is. I don't know if I answered your  
4 question or --

5 **KEN VOGELE:** (Nods affirmatively.)

6 **HENRY FORD:** Okay. Thank you.

7 **PAUL DULITZ:** Paul Dulitz. D-U-L-I-T-Z.  
8 I have some concerns and primary concern is the  
9 value of the land -- of the easement payments, the  
10 safety concerns, and another one, another concern  
11 is what will happen to this topsoil once the  
12 foundation is dug. But primarily, let's look at  
13 the value.

14 My consideration is that it's unlikely that a  
15 landowner will receive greater offering of, you know,  
16 purchase of a future transaction if this project is  
17 built and that he would more than likely receive less  
18 for his land once this easement is signed. That's my  
19 primary thing.

20 I've seen land prices change somewhere on the  
21 order of 20 to nearly 30 times, 30 fold higher in my  
22 nearly 40 years of farming. So we're getting paid  
23 once and the land price, who knows, maybe the land  
24 price could be 20,000 an acre and we're only getting  
25 paid once. That's my primary concern here. Do you

1 want to address that before I continue?

2           **HENRY FORD:** Sure. Absolutely. You  
3 know, we, as we develop the easement price that we  
4 are offering, we of course are looking at what  
5 the, you might say, pre-construction value is of  
6 that land. So the easement price itself is based  
7 on the current land value as best as we can  
8 determine, you know, and short of actually having  
9 to do appraisals of every single parcel.

10           But our offering is 80 percent of that full  
11 land value at today's value, so, and that's for the  
12 entire right-of-way strip. So 150 feet wide times  
13 however length of land that we're occupying. You  
14 know, I guess it's our feeling that the structures  
15 themselves, you know, the physical towers, that's the  
16 real impact to the agriculture. And I know it's a  
17 major pain in the rear to have to farm around the  
18 towers. We're trying to locate the line, you know, in  
19 such a place that the farmers can work easiest around  
20 those structures. That's why we've been proposing  
21 putting the center line actually further out into the  
22 cropland so that you can get around all sides of the  
23 tower.

24           But I guess from my perspective, I'm saying,  
25 I'm paying 80 percent of what, how many acres of

1 right-of-way we're taking here. But the structures  
2 themselves are only impacting a very small fraction of  
3 that total strip of land. So I mean, it's -- yeah,  
4 it's a negotiation, obviously. But this is how we  
5 came to the number we came to, kind of somewhat based  
6 on what we've seen other recent transmission projects  
7 using for their calculation for easement value. We  
8 looked at a couple other projects that are being built  
9 right now that are of comparable size, and, you know,  
10 they've had, I guess, success paying for the easements  
11 at this level. So ultimately, I guess we believe  
12 that, we think, anyway, that the compensation is fair  
13 for the amount of what I would call permanent impact,  
14 which would be that structure location.

15           **PAUL DULITZ:** I understand. One of my  
16 concerns with that is what kind of a legacy am I  
17 leaving for my children, potential grandchildren,  
18 and their children? The scar is going to be there  
19 for a long time.

20           Getting into safety. As I understand it,  
21 these structures are designed to carry a half-inch ice  
22 load. I don't believe that's sufficient. I believe  
23 that the potential for that half-inch ice load taking  
24 some part of this transmission line down is going to  
25 be before the end of my life, I hope. Because I hope

1 to be here for quite a while. I've seen it before  
2 in -- I saw a transmission line around 2005, 2006, we  
3 had that November ice storm, the line north of Summit.  
4 That's an H-line, two wooden posts with a crossbar.  
5 And as far as I could see, that whole line was down.  
6 I probably could see about eight miles or so as I was  
7 driving the Interstate. And that line was down. So I  
8 do have some concern about the ice load.

9 I have concerns about the lines falling onto  
10 roads and outside of the easement area. I have  
11 concerns -- This is not a safety concern, but I have  
12 concerns about the project is going to benefit  
13 probably more urban customers than rural customers,  
14 and we're going to be paying the price for it. Would  
15 you like to address the safety concerns before I move  
16 on to the last concern?

17 **HENRY FORD:** Sure. Sure. I guess as far  
18 as the structure and line design at this point,  
19 that's still in very preliminary stages. I'm not  
20 even sure -- I have the engineer sitting here, but  
21 I'm not sure that we have any intention of  
22 designing this for only half-inch ice. I believe  
23 that it's going to be designed for significantly  
24 more than that. But as I said, we're still really  
25 in very preliminary stages on this project. So we

1 don't -- Although, you know, I show you a  
2 structure design, that's a conceptual drawing. We  
3 don't know, you know, exactly how big are those  
4 crossarms, what's the diameter of the actual poles  
5 themselves. You know, the type of steel or, you  
6 know, just exactly how all of this is going to go  
7 together. That's part of the final design that  
8 comes more once we've completed the right-of-way.

9           But I agree with you that half-inch ice,  
10 half-inch ice comes out of the National Electric  
11 Safety Code, which utilities are required to follow.  
12 Most utilities like MDU and Otter Tail, we see those  
13 code standards as minimum, which is what they are.  
14 What we design for is what we know from experience can  
15 occur in our area. And I agree with you a hundred  
16 percent that half-inch ice actually is getting to be  
17 almost more rare than -- much heavier ice loading than  
18 that. We have seen, even just recently, two and three  
19 inches of radial ice in the last few years. So this  
20 line is going to be designed for significantly more  
21 than a half inch of ice on the conductors around the  
22 structure.

23           **PAUL DULITZ:** Yeah, I believe that was  
24 probably half-to-three-quarters of an inch in  
25 Sioux Falls that caused that tremendous amount of



1 damage. I was in Sioux Falls at the time during  
2 that ice storm.

3 **COMMISSIONER NELSON:** If I could just ask  
4 a follow-up question. You're on a very important  
5 point here. I was just out west two days ago and  
6 saw all of the toothpick remnants of wood poles  
7 from disaster out there. Are these steel posts  
8 typically going to withstand ice better than what  
9 wood structures, even H-frame wood structures  
10 would do?

11 **HENRY FORD:** Would you say yes?

12 **AUDIENCE PARTICIPANT:** Yes.

13 **HENRY FORD:** I mean, I believe they would  
14 for a number of reasons. No. 1, the structure is  
15 a lot more expensive in the first place, so we're  
16 going to design that for a lot heavier duty  
17 factor, you know, a safety factor, because you  
18 have one of those fall over and you've got a lot  
19 more money to spend to put it back up than if it  
20 was a wood structure.

21 The other factor is wood poles, you know,  
22 they change with time. You have a brand new wood pole  
23 and it's got a certain strength and certain ability to  
24 withstand galloping and these kind of ice load  
25 conditions. As that structure gets older, that kind

1 of capability gets to be less and less and less.

2           You're not going to really have that with the  
3 steel. The steel structures, these will most likely  
4 be weathering steel. You know, they don't change much  
5 over time. These structures are going to last a very,  
6 very long time without degrading their strength.

7           So, yeah, I think this line is going to be  
8 far superior to a wood pole line when it comes to  
9 being able to precisely design for certain safety  
10 factors and know that that safety factor is going to  
11 remain constant.

12           **COMMISSIONER NELSON:** Thank you.

13           **PAUL DULITZ:** Okay. One of the things  
14 that either Otter Tail or Mon-Dak can do to assist  
15 the farmers would be to secure commitments for  
16 wind development if a farmer so chooses along this  
17 line. So that they can -- they can -- the farmer  
18 can see continuing benefit, the area can see  
19 continuing benefit from this line. And this line  
20 would make it easier, as you stated, to use that  
21 wind benefit on your existing lines. I would  
22 imagine it would be possible to apply substations  
23 to actually feed that onto this line.

24           One other concern is where will the soil that  
25 comes out of those holes when you dig a 6-foot hole,

1 how deep is that hole going to be? 6-foot around?  
2 What happens to that soil? Is that going to be given  
3 back to the landowner, spread around the structure?  
4 Are you going to, you know, remove the topsoil for  
5 when the heavy equipment comes in to bring this in?  
6 Or what are we going to have for impacts on our farm  
7 productivity? Go ahead.

8           **HENRY FORD:** Okay. Okay. For soil  
9 impacts, these foundations are typically 20 to  
10 30 feet deep, something like that. So, you know,  
11 to your points, I'm sure only that top maybe foot  
12 of it or so is topsoil. The rest of it is  
13 probably not very good soil. It's not our plan or  
14 intention to take any of that subgrade soil and  
15 spread it around on your field. That subsoil will  
16 be hauled off the project. If you had an area  
17 that you wanted filled, for example, you know, our  
18 crews would certainly work with you to put that  
19 soil somewhere where you could benefit from it.  
20 Otherwise, we're going to move it off the project  
21 altogether. So I think maybe -- Does that answer  
22 that part of the question?

23           And I forgot what was your first part of the  
24 question about wind generation? You were asking about  
25 whether we could help make sure wind generation is

1 secured?

2           **PAUL DULITZ:** That was part of it. I  
3 asked if you could -- Yeah, I believe that would  
4 provide a greater good for this project is if you  
5 could secure commitments from whoever does the  
6 wind generation --

7           **HENRY FORD:** Uh-huh (Yes).

8           **PAUL DULITZ:** -- along this, so that if a  
9 farmer decides, well, it would be good entirely  
10 for the planet to have a wind generation, you  
11 know, in my backyard. You know, can I help --  
12 What can we do? How can we work together? You  
13 know, that's what I was looking for with your --

14           **HENRY FORD:** Sure.

15           **PAUL DULITZ:** -- comment on wind  
16 generation --

17           **HENRY FORD:** Yeah.

18           **PAUL DULITZ:** -- is how can we work  
19 together?

20           **HENRY FORD:** Yeah, absolutely. Kind of  
21 what I alluded to during my presentation,  
22 actually, I think the expectation will be that the  
23 construction of this line will result in more wind  
24 development in South Dakota. That wind  
25 development may not -- it could but it may not be

1 looking to interconnect directly with this  
2 particular line, because this being a  
3 higher-voltage line, it's more expensive to do  
4 that to interconnect. Equipment, of course, is a  
5 lot more costly to do that interconnection. But  
6 once this 345 line is in service, the 115 line  
7 that may be five miles away, the flows on that  
8 line are going to change and that line may now  
9 have the capacity for a couple hundred megawatts  
10 of generation that it didn't have before.

11           So the way these wind farms typically develop  
12 is they go through this process of talking to the  
13 local utilities, and in our case, they will talk to  
14 MISO, and they will determine where the best place is  
15 for this interconnection. So we do work directly with  
16 the wind generators that have a project that they're  
17 looking to development. We will work with them as we  
18 always have to help them determine the best location  
19 for this interconnection, and I think this line is  
20 definitely going to open up the potential for more of  
21 those wind farm projects to be proposed and built.

22           **PAUL DULITZ:** Okay. Thank you.

23           **BOB PESALL:** Good afternoon. Bob Pesall.  
24 I'm an attorney from Flandreau, South Dakota. The  
25 last name is P-E-S-A-L-L. I'm here in my capacity

1 as an attorney representing the gentleman who is  
2 seated to my right, there in the hat who is  
3 waving. And we've actually read the Application  
4 that's been submitted so we have more or less  
5 concerns that we want to put on the list for the  
6 Commission to consider and fewer questions,  
7 although we do have one. And I'll begin with the  
8 question and then address my client's concerns as  
9 he's asked me to do or to assist him here with in  
10 the meeting today.

11 But the question specifically for the  
12 gentleman from BSSE is exactly how many South Dakota  
13 customers are going to be receiving electricity from  
14 this line?

15 **HENRY FORD:** That could be kind of  
16 difficult to answer, because this is bulk  
17 transmission. Bulk transmission does not deliver  
18 power directly to end-use customers. So what bulk  
19 transmission does is it adds capacity to the  
20 overall system. And back to my interstate highway  
21 kind of scenario. Really what it's doing is  
22 taking significant flows off of other transmission  
23 lines, which do interconnect directly with  
24 customers, and so now these transmission systems  
25 have this capacity that it potentially didn't have

1 before to serve more customers or to interconnect  
2 generation or whatever the case may be.

3           So it's not as simple as saying, This line is  
4 going to serve these customers. That's not how  
5 transmission works, especially not bulk transmission.  
6 This line is going to have the capability of quite a  
7 number of megawatts of power flow on it. Those  
8 megawatts ultimately will flow to where the load is.  
9 So there will be cases where this -- some of the  
10 megawatts off of this line will drop off at Ellendale  
11 or drop off at Big Stone, ultimately go on to  
12 lower-voltage transmission to 30 kV or otherwise on  
13 down and serve customers.

14           So there is no way to answer that question  
15 and say that -- You could argue it from the way that  
16 this line with this capacity has the capability of  
17 serving that many customers based on capacity. But  
18 because customers aren't going to be interconnecting  
19 with 345 kV transmission, you can't answer the  
20 question that way.

21           **BOB PESALL:** The other side of the  
22 question, then, would be producers, what number of  
23 producers would be able to take advantage of this  
24 particular line apart from Montana-Dakota  
25 Utilities and Otter Tail Power?

1           **HENRY FORD:** Speaking in terms of like  
2 wind generator interconnections and that type of  
3 thing?

4           **BOB PESALL:** For example.

5           **HENRY FORD:** That, again, gets down to  
6 the question of what's the ultimate capacity of  
7 this system and what part of that capacity would  
8 be used I guess initially when this line is  
9 energized and what kind of capacity is in reserve  
10 for wind generation projects. I know that -- And  
11 I'm kind of looking over here to my planning  
12 expert. I know that when MISO did those studies,  
13 they looked at certain levels of generation that  
14 they saw as requirements down the horizon, and  
15 there was -- Do you know the number, how many  
16 megawatts?

17           **JASON WEIERS:** Yes.

18           **HENRY FORD:** Or if you could tell me, I  
19 can repeat it.

20           **JASON WEIERS:** Jason Weiers of Otter Tail  
21 Power Company. I was involved in the planning  
22 studies identified in the project. And as the  
23 MISO studies did go on, they looked at future  
24 scenarios representing 2021 time frame, and there  
25 was approximately 900 megawatts of new wind



1 installed in South Dakota. Now, the trend for  
2 this system is an open-access system so basically  
3 it's a first-come/first-serve type of scenario.  
4 So as new wind developers come along, they will be  
5 accommodated to the extent that there is capacity  
6 available.

7 **HENRY FORD:** So you can take on  
8 800 megawatts and, you know, most of these wind  
9 projects that we see are 150, 200 megawatts, so  
10 that kind of maybe gives you some idea.

11 **BOB PESALL:** And would those developers,  
12 those wind energy units be able to tie directly  
13 into this line?

14 **HENRY FORD:** If they so choose, yes.

15 **BOB PESALL:** Having said that, the issues  
16 that we wanted to put before the Commission, these  
17 are things that -- I sat down with my client, who  
18 is also a relative of mine. So if you wonder why  
19 his last name is also Pesall, that's the reason.

20 I sat down with him and explained to him what  
21 a hearing like this does and what his opportunity was  
22 to express concerns for the Public Utilities  
23 Commission and just to try and narrow down a few.  
24 Frankly, the number that I've heard from him and his  
25 neighbors I could sit here and talk all day, and I

1 know there are a lot of people that have more useful  
2 things to say than I do.

3           The concerns he has essentially deal with the  
4 legal compliance aspect, the health aspect, and the  
5 orderly development aspect that have been discussed.  
6 As to legal compliance, the whether and how eminent  
7 domain can be used, I think is something that,  
8 perhaps, the PUC isn't able to address, but to the  
9 extent that you can investigate it, we would invite  
10 the Commission to do that. We don't know that this is  
11 technically the sort of use by the public that our  
12 Chief Justice is fond of pointing out is required  
13 under South Dakota's takings laws.

14           That aside, there is the interference that  
15 this sort of a system will create with the traditional  
16 farming practices with the long-term family farms that  
17 exist in Day County and throughout the region that  
18 they're looking at building this system through.

19           I asked my client and his friends, you know,  
20 What are the specifics? What are you really concerned  
21 with? They pointed at page 59 of the Application. 59  
22 indicates, There will be interference with GPS systems  
23 in and around the towers. And I think it's on page 60  
24 it indicates, No mitigation is going to be required  
25 because we don't think it will interfere with

1 navigation.

2           Well, to an up-and-coming farmer, to a young  
3 farmer, to an old farmer that's looking to modernize,  
4 that's a huge issue, because in this day and age,  
5 those farmers have a GPS system that's steering that  
6 tractor through the field. That GPS system is tied in  
7 with the soil samples and determines how far apart to  
8 space that seed, how much chemical to apply, and  
9 allows them to maximize the production on every square  
10 foot. Now, you run a power line that's a hundred  
11 fifty feet wide as far as the right-of-way through the  
12 middle of that field, you've effectively rendered  
13 about an acre of land for every 300 feet of line  
14 farmable only by what would be Stone Age practices by  
15 comparison.

16           On the other side of the technological  
17 spectrum, you've got the interference with two-way  
18 radios, which is also acknowledged on page 59 and 60  
19 of the Application. They may be using GPS systems and  
20 cellphones, but they're also using CB's, a lot of  
21 CB's, because that's the easiest, cheapest way to keep  
22 in touch with a couple of tractors and a couple of  
23 trucks at home base.

24           That kind of interference is going to  
25 neutralize farming practices that have been going on

1 for a very long time. And I don't know that the  
2 benefit we potentially might see from this power  
3 system is enough to override that.

4           Then there is a public safety aspect. If  
5 I've been driving with a GPS system all day long and I  
6 drive into an invisible electromagnetic field that  
7 suddenly shuts it off, do I react in time before I  
8 crash into something?

9           That aside, there is health issues. Now, I'm  
10 not going to stand in front of you and try to make the  
11 argument that there is some cancer connection. I  
12 think the Petition is probably correct, I don't think  
13 there is evidence to support that. We don't think  
14 it's necessarily going to cause health problems, but  
15 it may exacerbate the health problems that are out  
16 there. We looked at the National Institute of  
17 Health's concerns with respect to power lines, and the  
18 big one that comes up is pacemakers.

19           You've got a lot of aging farmers out there  
20 on tractors that are 20, 30 feet off the ground,  
21 you're putting a man with a pacemaker that close to a  
22 345-kilowatt power line, you've created a substantial  
23 health risk and that man is in the driver's seat of a  
24 several ton piece of equipment, or woman.

25           Finally, you've got esthetics, and this one

1 gets a little personal to me. The man in the hat who  
2 waved right here is maintaining a family farm that's  
3 had my family name on it since 1882. That's seven  
4 years before statehood, if my math is correct. If I  
5 were wearing different shoes today, I could take you  
6 out in the field and show you exactly where the sod  
7 hut stood when my ancestors came and started that farm  
8 130 years ago. I can stand on that site and I can  
9 look around and I can see exactly the same view that  
10 they looked out on when they had the gumption to say,  
11 "I'm going to make a life here." And I don't want to  
12 see that getting blasted with a big, ugly power  
13 transmission line any more than I would want to see a  
14 big, ugly power transmission line across the front of  
15 Mount Rushmore. It may not be as dramatic a view, but  
16 it is still culturally important to the State of South  
17 Dakota.

18           Finally, there is wildlife. I've stood under  
19 these power lines; the folks I've talked to have stood  
20 under these power lines. You can hear them. You can  
21 feel the electricity in the air. And I'm an ordinary  
22 human being that sits indoors in front of a computer  
23 most of the day. If I can pick that up, I'm  
24 reasonably sure the game, fish, and wildlife can pick  
25 that up too.

1           Now, when I drove out here today, I came in  
2 from Interstate 29 and I see that sign that says, "Fur  
3 Game, and Fish, Diamonds in our Economy." It's a bit  
4 of a protest board but the person who put it up there  
5 has a point. Those animals are going to pick up on  
6 this stuff. They're going to notice it. A fish is  
7 going to notice electricity in the water far before I  
8 would, and there is a heck of a lot of fish in the  
9 prairie potholes of Day County, and it's doing wonders  
10 for Day County. Same with the deer; same with the  
11 pheasants. This is going to reduce habitat and  
12 ultimately reduce economic development in the area.

13           Those are the concerns that we have.  
14 Ultimately, my client is going to take the position  
15 that he's not going to cooperate no way, no how, take  
16 me to court. So know that that's the perspective that  
17 he comes from, and frankly I can't fault him for that.

18           We invite the Commission to investigate those  
19 issues during the proceedings. We may intervene; we  
20 may not. We haven't decided yet but thank you for the  
21 opportunity to express the concerns.

22           **(Applause)**

23           **RON RINGGENBERG:** My name is  
24 Ron Ringgenberg. It's spelled just the way it  
25 sounds. R-I-N-G-G-E-N-B-E-R-G. And I just say

1 amen to what you just mentioned, because that's a  
2 lot -- I have a lot of notes here and he covered a  
3 lot of what -- I live in Cambria Township, and  
4 we've already got four power lines about two miles  
5 south of us. Basin Electric has got a substation  
6 there. You're going to be crossing those two big  
7 lines, is the way we read this map.

8           As far as hindering farming, if we have to  
9 get an aircraft in and fly on any chemical or  
10 whatever, fungicide, all these corners, there is no  
11 way that they can put a plane in those fields. I  
12 mean, that's going to be hindering, you know, our  
13 farming practices. We're going to lose land. There  
14 is -- We're supposed to be -- You know, they say all  
15 the people that we're going to have to be feeding in  
16 the next 30 years or whatever, the population, we're  
17 taking acres away from. Some of the best land in the  
18 State of South Dakota is running through these  
19 counties that you're going through. And I think  
20 Brown County is probably one of the top corn and  
21 soybean counties in the state.

22           And, anyway, there is just no way we can fly  
23 anything on with all these corners up there.  
24 Between -- Just south of our place four miles there is  
25 three corners. You know, you tell me how we're going

1 to get a plane in there and do any spraying. Thank  
2 you.

3           **COMMISSIONER FIEGEN:** Mr. Ford, would you  
4 be willing to respond to some of the farmers and  
5 agricultural issues with GPS, with aerial  
6 aircraft. I know we're here to hear, but also  
7 it's also nice for the developers to respond.

8           **HENRY FORD:** Yeah, I don't recall exactly  
9 how the Application was worded on that issue of  
10 GPS. You know, GPS is a navigation system that is  
11 taking a signal off of several satellites at a  
12 time, and it's potentially more of a -- what I'd  
13 call a line-of-sight type of communication between  
14 the satellite and the GPS receiver. So the fact  
15 that there is a power line there is not  
16 necessarily going to limit or totally obliterate  
17 the use of GPS. It may knock, you know, the  
18 communications to one of the satellites off, but  
19 since GPS is typically communicating with several  
20 satellites at a time, most of the impact, as far  
21 as I believe, would be potentially maybe some  
22 slight degradation in accuracy of position.  
23 That's if you lose, you know, one or more  
24 satellites. But I'm not even sure, you know, that  
25 that really would be the case. I don't know that



1 there is scientific studies or evidence that have  
2 proven -- Danny, are you familiar with anything  
3 like that out there?

4 **DANNY FREDERICK:** I think you said it  
5 right. There is more -- You're picking up  
6 multiple satellites. So it's a line-of-sight  
7 issue. If you lose signal from one, you're still  
8 going to have multiple other ones. And when you  
9 pass the structure, if you're on some piece of  
10 equipment, as soon as you get past that  
11 line-of-sight issue, the structure two-feet wide,  
12 and now you've picked it back up again.

13 **CHAIRMAN HANSON:** Please always use the  
14 mike and identify yourself. What was your last  
15 name, please?

16 **DANNY FREDERICK:** Frederick.  
17 F-R-E-D-E-R-I-C-K.

18 **CHAIRMAN HANSON:** Thank you. Was  
19 everyone able to hear what his response was?

20 **AUDIENCE PARTICIPANT:** I didn't.

21 **CHAIRMAN HANSON:** A lot of the people did  
22 not. So if you'd --

23 **DANNY FREDERICK:** You want us to.

24 **CHAIRMAN HANSON:** Please always use the  
25 mike. Thank you.

1           **DANNY FREDERICK:** My name is  
2 Danny Frederick. Like I was saying, GPS signals  
3 they normally pick up from multiple satellites.  
4 So you're going to have four, five, six  
5 satellites, whatever it is, and it's a line of  
6 sight. So if the equipment or whatever you're in  
7 is behind the structure that just happens to be  
8 perfectly lined up with the satellite in space,  
9 you might lose signal from that one particular  
10 satellite, but if you're moving, you're going to  
11 get a couple feet beyond that and now your line of  
12 sight is going to be restored so you'll restore  
13 signal very quickly.

14           **THOMAS WELK:** Danny, why don't you tell  
15 them who you work for and what your occupation is.

16           **DANNY FREDERICK:** I'm Danny Frederick. I  
17 work for Power Engineers, and I'm an engineer on  
18 the project.

19           **HENRY FORD:** Danny is one of our  
20 electrical engineers that's kind of the expert on  
21 all things electrical. He's one of the project  
22 designers as well. So we'll be directing --

23           **DARRIN ERDMANN:** Excuse me. I'd like to  
24 dispute that. Can I get a mike?

25           My name is Darrin Erdmann. I farm by Groton.

1 E-R-D-M-A-N-N. I'm a tenant and a landowner for where  
2 this is going through. The last gentleman was exactly  
3 right. About 15 years ago, the technology that we  
4 were using then, but currently the technology that  
5 we're using with GPS now, we're using land locations  
6 that, GPS locations that are stationary, and to get  
7 the accurate positioning that we need, not just for  
8 navigation, but also for application and soil testing  
9 and recording of yield data to see whether what we're  
10 doing is working is triangulated with that land base  
11 with a two-way radio. So as far as it not being  
12 affected until just when you're driving by that tower  
13 is about 15-year-old information.

14 **CHAIRMAN HANSON:** I believe there is a  
15 gentleman right over here that's next.

16 **COMMISSIONER FIEGEN:** And I didn't  
17 hear -- I know the Commissioners get to ask  
18 questions during the hearing, and I apologize I  
19 shouldn't be asking now. But one other gentleman  
20 asked about aerial air crafts and spraying, and I  
21 don't know if I heard your response to that. And  
22 I know, because we will be asking you all that,  
23 those questions, of course, when we get to do that  
24 in our hearing, but I wanted to make sure that  
25 farmer had a response.

1           **HENRY FORD:** Yeah. I mean, basically  
2 what he was saying, I understand, if there are  
3 several lines crossing together in a certain area,  
4 it's going to be very, very difficult to get a  
5 plane in there if you're going to do aerial  
6 spraying. You know, I don't know that there is a  
7 solution to that, if you have multiple lines that  
8 close together. Typically a single line in  
9 itself, you know, the aerial sprayer applies under  
10 the line or to the side of the line.

11           I don't really have an answer for him per se  
12 as to if the line is here, this is the solution. You  
13 know, I'm not going to tell him he can just ground  
14 spray instead of aerial spray. That's not a solution.  
15 I guess, I think the owners want to work with all the  
16 landowners on the project, and this is some of those  
17 kinds of factors that we have to look at as we're  
18 working on right-of-way acquisition, that if maybe  
19 this parcel of land is becoming unfarmable because of  
20 these reasons, we need to look at something different  
21 than potentially just an easement or an easement price  
22 that we talked about before.

23           But we are continuing, I'll just say, we are  
24 continuing to look at potential reroutes in the line,  
25 and so as though kinds of concerns are voiced, we do

1 take the time to look at where that specific issue is  
2 and determine if there is any way we could shift the  
3 line a little bit one way or the other that would help  
4 enough to solve the problem. If there is something we  
5 can do like that, you know, we're going to be willing  
6 to do that.

7 **RON RINGGENBERG:** We got four lines just  
8 right south of us.

9 **CHAIRMAN HANSON:** Please use the mike.

10 **RON RINGGENBERG:** This will be five.

11 We've got four lines south of us, and you  
12 would be No. 5, and I understand, I think,  
13 Basin Electric is talking about running a line over to  
14 the ethanol plant at Groton. We're going to have six  
15 lines to go around. Plus we got trees. And our  
16 normal lines that go to the farm. So right there in  
17 our area it's really congested for lines right now and  
18 we don't need any more.

19 **HENRY FORD:** Yeah.

20 **CHAIRMAN HANSON:** Sir, could you tell us  
21 right where that --

22 **RON RINGGENBERG:** Cambria Township.

23 **CHAIRMAN HANSON:** Approximately so that  
24 we'd have as best idea. You can just tell us how  
25 far north or south from some community, if you

1 can. (Chuckles.)

2 **RON RINGGENBERG:** Well, Dennis, how about  
3 Plana?

4 **DENNIS JONES:** Yeah. Well, Plana is kind  
5 of an unknown town, but in Cambria Township, which  
6 is directly north of --

7 **CHAIRMAN HANSON:** Okay. We're going to  
8 get a mike to you, sir.

9 **DENNIS JONES:** Which is directly north of  
10 Bath. Ronnie is exactly right, that there is a  
11 substation there, and we have got a clutter of  
12 transmission lines going through Cambria Township.  
13 It's -- And when you talk to aerial sprayers and  
14 everything, they just don't want to be around  
15 Cambria Township. It's just too tough.

16 **CHAIRMAN HANSON:** Is that up close to  
17 Sand Lake then?

18 **DENNIS JONES:** No. Directly south.

19 **CHAIRMAN HANSON:** Directly south of --

20 **DENNIS JONES:** South of Columbia.

21 **CHAIRMAN HANSON:** Okay.

22 **DENNIS JONES:** About halfway in, about  
23 four miles north of Bath is where you're going to  
24 see. Some of them come diagonal; some go straight  
25 east and west.

1           **CHAIRMAN HANSON:** All right. Thank you  
2 very much. I believe you were next, too, with a  
3 question, weren't you?

4           **DENNIS JONES:** Yes, I think I was. I  
5 started researching this project when I kind of  
6 found out about it, and I found out that there is  
7 a lot of answers that I couldn't get answered.  
8 And especially the people in the industry, the  
9 people that you know, wouldn't answer it. They  
10 avoided the answers, and so finally I found a  
11 gentleman that had been in the industry for -- he  
12 was retired. And he spent a day with me. And the  
13 first thing he said, he said, You guys stand a  
14 slim chance to nothing. It's about that, the way  
15 it is. He says, I want to tell you how it works.  
16 They hire a professional company, and -- What's  
17 the name of your company? Are you the guy that  
18 owns the company?

19           **THOMAS WELK:** I'm a lawyer.

20           **DENNIS JONES:** Okay. Who is the firm  
21 that you guys hired to come in and talk to us?

22           **HENRY FORD:** Kadrmas, Lee & Jackson out  
23 of North Dakota is the company that we've hired  
24 for right-of-way services, as well as surveying  
25 work.

1           **DENNIS JONES:** Are they the ones that  
2 held meetings with us?

3           **HENRY FORD:** The open house meetings or  
4 the face-to-face with one landowner?

5           **DENNIS JONES:** Yeah. Right.

6           **HENRY FORD:** The ones with the individual  
7 landowners, that's Kadrmas, Lee & Jackson. Those  
8 are land agents that work for Kadrmas, Lee &  
9 Jackson.

10          **DENNIS JONES:** Right. He said, First of  
11 all, why hire a company like that that is very  
12 professional that can answer just about every  
13 question there was? I hosted the meeting, and  
14 they had about 11 or 12 there. Let's see. You  
15 were at the meeting and you were there. How many  
16 were at that meeting, did you guys have there,  
17 that meeting? It was like a training seminar for  
18 all the other people they had hired.

19          **HENRY FORD:** Six.

20          **DENNIS JONES:** What I found ironic in  
21 that meeting is we got two different answers a lot  
22 of times. So I decided to do -- try and do as  
23 much research as I could. I finally found, and  
24 you know the gentleman, it's one of the people in  
25 here that is retired from the industry. He says,



1 You don't stand a chance, is basically what he  
2 says. He says, They hire a professional firm to  
3 come in. And he says, You're going to see people  
4 that are out-of-state landlords that really don't  
5 care. And you mentioned your 30 percent sign-up  
6 you've got already. He said that's very  
7 unprofessional. They should have been with  
8 stopped when started, to start with. But it's a  
9 way to divide a group. But he says, the best way  
10 to explain it, he says, it's like a group of  
11 farmers that are asked to come in on a rainy day  
12 and play the New York Yankees at baseball. That's  
13 about how much of a chance you've got.

14 But I spent about a day with him. And it was  
15 very interesting. He said, I cannot see the need for  
16 this project. I can see the motive for profit. But I  
17 don't see the need. And we went through the -- your  
18 diagrammed route. And we drove some other routes.  
19 And he says, I have no idea whose decision it was to  
20 come into the Jim River Valley. He says, It does not  
21 make sense. No. 1, he knew the soil rating in that  
22 area. That does not give you a good base. Where  
23 they're crossing the James River, he said, you could  
24 cross it up by Ludden and there would be the river  
25 bottom.

1           He said a lot of this does not make sense.  
2 It's like someone, like there is an ulterior motive  
3 there. And he explained a lot of things to me. He  
4 said, No. 1 -- and I read an article a while back on  
5 this, that No. 1, he said, these new transmission  
6 lines should be adjacent to state highways, because of  
7 the traffic that is created by it. We're in an area  
8 where our township is basically broke. And we're in  
9 an area where Basin Electric has destroyed roads, and  
10 I have -- you know, because of the traffic. We don't  
11 have a base in here, in our area, because it's  
12 probably one of the prime -- It's hard to explain  
13 here. Our roads are in the best condition now than  
14 they've been in five years. But they were totally  
15 tore up, and it's because we're in an area that is  
16 rich in fertile farmland that does not give you a  
17 base.

18           South Dakota Wheat Growers, for example, was,  
19 years ago, was looking for building a terminal along  
20 the James River Valley. They had to scratch that plan  
21 because they didn't get the base. They got a  
22 tremendous base over by Andover where they built that  
23 terminal. And so the soils vary so much. But to come  
24 through the James River Valley with the gentleman I  
25 spent that day with, he says, it doesn't make sense to

1 me.

2           And then he did some math and he says, This  
3 line is -- actually could be shortened up by about  
4 35 miles. And he says, There is other routes. He did  
5 not quite -- He says, I was not in on the planning on  
6 this. I've been retired for a few years. He says,  
7 Probably I'm saying things that I shouldn't be saying.  
8 But I think he's right when he said, and the people  
9 that you had coming out to sign to get permission to  
10 go on the land, that shouldn't even have happened yet.  
11 It shouldn't have happened. It's a way to divide  
12 people. And you know that.

13           And that's -- And the other question I want  
14 to ask, how much are you paying this company? I want  
15 to -- You know, my price is public, what you're going  
16 to pay for my land; you already told me that.  
17 Everybody else in this room knows. I want to know how  
18 much you paid that company to do that.

19           **CHAIRMAN HANSON:** Sir, would you state  
20 your name and then give them an opportunity to  
21 address the questions?

22           **DENNIS JONES:** Absolutely. I apologize  
23 for not stating my name. Dennis Jones, Bath.  
24 J-O-N-E-S.

25           **HENRY FORD:** Well, you obviously threw

1 out a lot of different --

2 **THOMAS WELK:** It's not on.

3 **CHAIRMAN HANSON:** There are additional  
4 chairs available now for anyone who would like to  
5 sit behind us. I don't know how comfortable I am  
6 telling people to sit right behind me.

7 (LAUGHTER.)

8 **CHAIRMAN HANSON:** But I see some familiar  
9 faces. If anyone wants to have a chair back here,  
10 there are some that are open. Please go ahead and  
11 address whatever you feel is appropriate.

12 **HENRY FORD:** Yeah, I guess I was just  
13 going to comment about the price that we paid  
14 Kadrmas, Lee & Jackson to do this work. I mean,  
15 we have a contract with them to do this work. I  
16 don't think I would be willing to discuss what  
17 price they bid to do the project. They are doing  
18 a lot more than just right-of-way. They're doing  
19 survey work and so forth. I would leave that more  
20 up to Terry, if he wanted to talk about what his  
21 land agents' wages are, whatever the case may be.  
22 Any, you know, any payments themselves for  
23 right-of-way options or easements, the owners pay  
24 that themselves. The contractor doesn't have  
25 any --

1           **DENNIS JONES:** I wasn't referring to  
2 that. I was referring to the contract that you  
3 have with this company.

4           **HENRY FORD:** Yep.

5           **DENNIS JONES:** Not what people are  
6 getting paid.

7           **CHAIRMAN HANSON:** Sir, we're trying not  
8 to be argumentative here. We want to be able to  
9 have Q and A if we can. I'll tell you that the  
10 Commission will not -- That will not weight on the  
11 Commission's decision, if they paid somebody too  
12 much or too little, or if they hire a million  
13 people to come in here or if they only hire one  
14 person to come in and talk to people. There is a  
15 lot of folks that are going to have questions  
16 here, and what I'd like to do is get to as many of  
17 those as I possibly can.

18           **DENNIS JONES:** I understand exactly what  
19 you're saying.

20           **CHAIRMAN HANSON:** Thank you.

21           **DENNIS JONES:** But I have to point out  
22 what we're up against and what's already started.  
23 And it shouldn't have started. Before a lot of  
24 things, a lot of questions were answered. You  
25 know. Would you allow some people in this room to

1 explore alternative routes with your company?

2           **HENRY FORD:** We're essentially doing that  
3 every day.

4           **CHAIRMAN HANSON:** Can you hold the mike  
5 closer to you?

6           **HENRY FORD:** This mike doesn't seem to be  
7 working anymore.

8           **JENNIFER SMESTAD:** Hold it closer.

9           **HENRY FORD:** Hello? Apparently it just  
10 doesn't have very much sensitivity left in it.

11           No, we have, as our land agents are going  
12 around talking to landowners, as landowners are  
13 proposing a different route that they think makes more  
14 sense from their perspective, we look at every one of  
15 those.

16           **DENNIS JONES:** Okay. I'm referring to a  
17 total different route, would you let us? People  
18 in this room, discuss with you the difference?  
19 I'm not talking changing a half a mile.

20           **HENRY FORD:** Yeah. I don't think there  
21 is any way to do that. You think of the number of  
22 factors that are involved in selecting the route  
23 that was selected, in order to -- I mean, it's not  
24 just KLJ here. There is other consultants that  
25 are experts in the environmental and the

1 ecological, you know, all of those kinds of things  
2 as well. All of those factors came into  
3 determining what was the best route. We have to  
4 try to please as many people and agencies as we  
5 can. But, yeah, you can draw any infinite number  
6 of lines between those two points and who is to  
7 say which is really the best route, other than  
8 based on a set criteria of these are the things  
9 that are identified as important to determining  
10 where the route goes.

11           **DENNIS JONES:** Henry, I'm not talking  
12 about pleasing people. I'm talking about what's  
13 doing right, what's right. What is the best  
14 route? You're not going to please everybody. I'm  
15 asking you, Will you let us with you and see your  
16 work, and spend a day or two with us exploring? I  
17 went out with this gentleman. I was him for about  
18 a day. And he says, I don't understand. He says,  
19 This route, I don't understand. And he says, I  
20 understand where it would be -- He pointed out  
21 some other areas. I drove them. It is very --  
22 It's the only way I could find out anything.

23           I'm asking you, Will you check? Let us  
24 check, work with you, and ask you the question: why  
25 can't you go through an area that's got less

1 population, does not have as much wildlife, does not  
2 have -- get water dumped through that area from the  
3 State of North Dakota, and why you're coming through  
4 some of the best land in the State of South Dakota  
5 that doesn't have the soil base.

6           **HENRY FORD:** Yeah, I have no idea what  
7 your other route idea is. I'm sure, you know, if  
8 you wanted to send it to us, we could probably  
9 answer for you why that particular route did not  
10 look as good as the route we chose.

11           **DENNIS JONES:** You could answer every  
12 question. I know you could. That's not why I'm  
13 asking. Would you work, and if your people work,  
14 and so we're confident that the right area was  
15 explored and the right route, the correct, the  
16 best route. Not the route to please people. But  
17 the best route.

18           **HENRY FORD:** Yeah, at this point, of  
19 course, it would be very difficult to just scrap  
20 everything that has been done and start over with  
21 a different route. Depending on what the route is  
22 that you're talking about. I think that -- I  
23 mean, I'm curious now what this route is that  
24 you're talking about. I would like to see it and  
25 understand why that is perceived as the best



1 route. Obviously, the best route would be a  
2 straight line from Ellendale to Big Stone South.  
3 That's the best route, because it's perfectly the  
4 straight line, it's going to be the least  
5 expensive, shortest, and therefore least impact.

6 **DENNIS JONES:** It's a question of the  
7 right route, though.

8 **HENRY FORD:** Yeah. Yeah.

9 **DENNIS JONES:** Will you work --

10 **CHAIRMAN HANSON:** Gentlemen, you know,  
11 could I try and -- We're going to be going back  
12 and forth here for some time.

13 Mr. Ford, if Mr. Jones sent you a route that  
14 was better than the route than what you are presently  
15 having, would you consider that route? Would you look  
16 at it?

17 **HENRY FORD:** Yes, I think we would have  
18 to do that. I mean, if there was -- if there was  
19 in reality a route that is better and the question  
20 becomes better based on what criteria, and that's  
21 really what ultimately this comes down to. I  
22 think criteria probably differs from our route  
23 selection to their route selection.

24 **CHAIRMAN HANSON:** I understand.

25 Mr. Jones, would you be willing to send a

1 conceptual route that you think is better with your  
2 arguments of why you believe it's better?

3 **DENNIS JONES:** Well, I'd also want their  
4 people with me. I just don't want to send  
5 something and say. I want them to work with me as  
6 we -- you know. And I'm not an expert on this.  
7 You know, all I am is a farmer that has strung  
8 fences so I know that there is a lot of other  
9 problems that are considered. But when you have a  
10 guy who has been in the industry as long as the  
11 gentleman was that I worked with and it didn't  
12 make sense to him, he says, There probably is an  
13 ulterior motive here.

14 **CHAIRMAN HANSON:** Mr. Jones, are they  
15 coming across your property?

16 **DENNIS JONES:** Yes, they are.

17 **CHAIRMAN HANSON:** Okay. Then they are  
18 going to have to sit down and meet with you to  
19 discuss it. And I think it's eminently clear to  
20 them at this juncture that of the conversation,  
21 the discourse that they're going to have to have  
22 with you. So I would encourage them to have that  
23 discourse.

24 **DENNIS JONES:** Okay. But I need the  
25 discourse of not just changing it a mile or

1 something like that.

2           **CHAIRMAN HANSON:** I understand. And they  
3 understand that too.

4           **DENNIS JONES:** In the area in  
5 Brown County in crossing the James River where  
6 you're, you know, it --

7           **CHAIRMAN HANSON:** Mr. Jones, we spent  
8 about 15 minutes on this.

9           **DENNIS JONES:** I understand.

10          **CHAIRMAN HANSON:** And I'm hoping there is  
11 some other folks that want to chat here, and I  
12 want to be able to get their input as well.

13          **DENNIS FEICKERT:** Thank you.  
14 Dennis Feickert. F-E-I-C-K-E-R-T. And I hope  
15 this is appropriate to ask the Public Utilities  
16 Commission a question.

17          **CHAIRMAN HANSON:** Okay.

18          **DENNIS FEICKERT:** I -- In the  
19 presentation by Mr. Ford, he brought up that the  
20 PUC has permitted an application for the -- this  
21 process. And I'm curious as to -- Explain to the  
22 crowd, to the group, why it's permitted before all  
23 the easements are in place.

24          **CHAIRMAN HANSON:** Well, they have an  
25 application process. We have not provided for a

1 permit at this point. I'm assuming that -- I  
2 didn't hear that from Mr. Ford. I was looking at  
3 other things. Perhaps -- I will say he misspoke  
4 if that's what he stated, because we have not made  
5 a permit of any sort at this juncture.

6 **COMMISSIONER FIEGEN:** (Shakes head.)

7 **PAUL MAMMENGA:** My name is Paul Mammenga.  
8 M-A-M-M-E-N-G-A. I live about a mile south of  
9 Columbia and a mile from Cambria Township. And  
10 how I got to know about this meeting and the  
11 preferred site location is I got a couple weeks  
12 ago a Certified letter in the mail, and this is --  
13 what I got is a couple information items I guess  
14 to pass on. And the Post Service had a hard time  
15 delivering the Certified Mail. It's our address,  
16 but it has my mother-in-law's name on there, and  
17 for the information that she's been deceased for  
18 since 2005. So I'm just putting it in the record  
19 that I would like to -- My wife's name is on the  
20 official plats and stuff so I don't know where  
21 they got the information from. So I would like  
22 to, you know, pass on that the official plat map  
23 should be looked at or old ones, I don't know, but  
24 that's just my information I wanted to pass on.  
25 You know, that I wrote my name down so hopefully

1 we can be included in that to clarify that.

2           The other aspects that I know is the company,  
3 the companies and with the alternative routes and the  
4 preferred routes, that it is listed there, and I got  
5 looking at it and I went to the PUC's website, to our  
6 company's website, and dug some digging and dealing  
7 with the wildlife issue I know that the company's real  
8 concerned about minimizing environmental, cultural,  
9 farmers' rights and so forth. And that's great.

10           So I got looking at some of the information  
11 and where the power line or transmission line is going  
12 to enter into Cambria Township is about a mile south  
13 of me. And looking at Brown County, I did -- was able  
14 to get some information on bald eagle nests. And  
15 essentially, this year, is the second year that I had  
16 a successful bald eagle nest, and I'd like to know  
17 that they are continuing to look at new information on  
18 wildlife and stuff. And the other aspects is the  
19 tradition of where that transmission line comes in to  
20 Cambria Township is, if you really look at the  
21 topography of the land, is the Elm River comes up from  
22 Ordway, comes up to Columbia, which joins up into the  
23 James River, the floodplain which goes to the east.  
24 Essentially right in the heart of Cambria Township is  
25 kind of like a peninsula, like you might have heard

1 someone -- Mr. Ringgenberg and Mr. Jones, that that's  
2 some of the fertile ground and it's -- we're south of  
3 Sand Lake, and I realize you've got a pretty good  
4 buffer around Sand Lake National Wildlife Refuge for  
5 migratory waterfowl, but one thing is that waterfowl  
6 leave to come to feed. And just in that, where that  
7 transmission line enters in the Cambria Township,  
8 there is very large flocks of snow geese and ducks  
9 that utilize that peninsula area, the landscape there.

10           And my question is, is what -- how are you  
11 going to minimize the impacts of this waterfowl,  
12 migratory waterfowl that are using these fields that  
13 the transmission line is going to be located on now  
14 when they have traditionally, all the wildlife, all  
15 the wildlife lived there? They're always come to  
16 these fields in large concentrations. And once that  
17 transmission line is there, how do you minimize  
18 impacts on those and any new eagle nests that are  
19 going to be along the James River corridor and the  
20 Elm River, because I have a new nest now. And the  
21 reason why they build them nests, in particular, east  
22 of Sand Lake National Wildlife Refuge, is because of  
23 this food source and stuff.

24           So I'd take a closer look at Cambria Township  
25 and that peninsula between south of Columbia, between

1 the Elm River and the James River corridor and explain  
2 how you minimize the impact on this vast amount of  
3 migratory waterfowl that use this area.

4 And the other question, I would like a  
5 response is, since this traditional area is -- what is  
6 the requirements of shooting firearms under these  
7 power transmission lines?

8 **HENRY FORD:** Okay. That was an awful lot  
9 of questions. And I don't think I remember more  
10 than one or two of them now. So you'll probably  
11 have to stand up and ask them again.

12 Couple things. There is no restriction  
13 against discharging firearms under a power line. So  
14 your discharging a firearm is no different than  
15 whether the power line was there or not. Shooting  
16 directly at the power line, of course, that's a  
17 different issue, so. Keep that in mind when you're  
18 discharging.

19 But when it comes to bald eagle stick nests  
20 and impacts on waterfowl and so forth, you know, we  
21 have very, very tight stipulations, I guess you could  
22 say, by the U.S. Fish and Wildlife Service as to what  
23 we need to do if we're going to build a power line  
24 near a wetland or near what is considered acceptable  
25 habitat for these particular types of wildlife. So

1 we're already today in discussions with Fish and  
2 Wildlife on what we need to do as far as -- We do such  
3 a thing as, it's called, aerial bird diverters. These  
4 are markers that we put on the top wire of the  
5 structure that basically makes that line more visible  
6 to waterfowl and wildlife. You've probably seen that  
7 a lot on other power lines. This is something that  
8 the Fish and Wildlife Service feels confident in that  
9 if this is done, the waterfowl, in this case, are  
10 going to see that and they're going to fly above it.  
11 They're not going to contact the line.

12           And as far as the stick nest, I know we've  
13 done one stick nest survey already. So we know -- I  
14 can't remember the distance, but we have a requirement  
15 of staying a certain distance away from --

16           **BRIAN HUNKER:** 660 foot.

17           **HENRY FORD:** So 660 foot.

18           **BRIAN HUNKER:** My name is Brian Hunker.  
19 H-U-N-K-E-R. And I work for HDR Engineering and  
20 we're the environmental consultants on this  
21 project. Henry is right. We did do one survey.  
22 We plan to do a second survey. That survey found  
23 that there was one eagle nest approximately a mile  
24 south of the line. I'm not sure if that's the  
25 exact one where the landowner was talking about.



1           **PAUL MAMMENGA:** No, this one is a new one  
2 that was not listed on the Heritage Database that  
3 you got for the eagle nests for Brown County.  
4 This is brand new. And it's three-quarters of a  
5 mile away from the transmission line along the  
6 Elm River where you're crossing the Elm River and  
7 stuff. Just, that was the information items for  
8 you to know that there was some more information  
9 out there.

10           And as for the aspects of the traditional and  
11 the behavior of migratory waterfowl, in particular,  
12 mallards and snow geese, when they're going out to  
13 feed in this field where the transmission line is  
14 going to be located, they traditionally come to feed  
15 there, their behavior, that behavior is totally  
16 different than where they're nesting or roosting on  
17 the water sites and stuff. When they're in such large  
18 concentrations, a lot of people will hunt snow geese,  
19 in particular, when there is thousands of them feeding  
20 in these fields and how they get up and go is how,  
21 that type of feeding behavior and the waterfowl  
22 behavior on these feeding fields are going to notice  
23 these transmission lines? Have you done studies that  
24 show that it's very effective during those scenarios  
25 of migratory waterfowl behavior?

1           **BRIAN HUNKER:** As Henry indicated, we are  
2 in discussions with the Game, Fish and Parks, and  
3 then also the U.S. Fish and Wildlife Service on a  
4 line-marking plan for the project.

5           **CHAIRMAN HANSON:** All right. And Paul  
6 started out by addressing the fact that the  
7 information that was sent to him was sent to the  
8 wrong -- to the wrong name. How did you obtain  
9 the names for the mail-out? Do you know?

10          **BRIAN HUNKER:** Yeah, I believe it was  
11 obtained from the county records.

12          **CHAIRMAN HANSON:** All right.

13          **HENRY FORD:** Tax records.

14          **THOMAS WELK:** That's what the statute  
15 provides.

16          **CHAIRMAN HANSON:** Okay.

17          **HENRY FORD:** Yeah.

18          **CHAIRMAN HANSON:** I'm sure you'll correct  
19 that with Paul to make sure you get it to the  
20 right name. Correct?

21          **HENRY FORD:** Correct.

22          **CHAIRMAN HANSON:** We're going to give  
23 Nancy a break at this juncture so we're going to  
24 be off the record.

25                   **(RECESS TAKEN AT 1:56 P.M. TO 2:11 P.M.)**

1           **CHAIRMAN HANSON:** Okay. Ladies and  
2 gentlemen, if you'd find your chair, we'll  
3 appreciate it. We've had a good discussion up to  
4 this point, good question and answer up to this  
5 point. And I understand there is a few people  
6 that actually had to leave because they had  
7 commitments. We don't want that to continue. We  
8 want everybody who came all the way here to have  
9 an opportunity to ask their questions. So let's  
10 let our questions roll and answer and go from  
11 there.

12           I would like to point out one thing, though,  
13 in case some of you folks might have felt that the  
14 three of us were a little snobbish during the break.  
15 We've got a challenge here. I know a lot of you  
16 appreciate it and understand it, but when we go in the  
17 restroom or go someplace and someone starts to talk to  
18 us about this docket, we can't just engage you in a  
19 conversation on this docket. There are ex parte  
20 rules. We are acting as judges. This is a  
21 quasi-judicial situation for us. We have a docket.  
22 It would be like the plaintiff or the defendant going  
23 up to the judge and talking to the judge about their  
24 case. We can't do that. If we do that, we have to  
25 write up -- because of the ex parte rules, we have to

1 write up a document explaining who we've spoke with,  
2 what we've discussed, and then we have to file that  
3 and make that a permanent part of the record. And we  
4 don't want to have to do that ten times in a row and  
5 every break that we have. So we just appreciate it  
6 very much if you have that understanding with us.

7 So with that, where is the microphone? And,  
8 sir, you are on first base. Go ahead.

9 **LELAND STAUCH:** My name is Leland Stauch.

10 **COMMISSIONER NELSON:** Would you hold the  
11 mike up a little closer to you? Thank you.

12 **LELAND STAUCH:** My name is Leland Stauch.  
13 I graduated from Groton High School. I own land  
14 in the area, and some of this is wanting to come  
15 right through the middle of two quarters of land,  
16 which would separate the two quarters into eight  
17 different pieces. Because I've talked to aerial  
18 sprayers, they will not spray aerial spray where a  
19 bunch of these power lines are in.

20 If anybody wants to see what they look like,  
21 you have to drive to Minnesota. Highway 90, you can  
22 see them going up between Sauk Centre and the city of  
23 Albany. So right along Highway 94.

24 Anyhow, to talk about it, my suggestion, and  
25 I talked to a few farmers here. Right now we have a

1 right-of-way that's available, which is a railroad  
2 right-of-way from Big Stone City all the way to  
3 Aberdeen. The best place to carry this power line is  
4 on the railroad right-of-way that is already in  
5 existence. There is lines there. The right-of-way is  
6 there. You're not interfering, it's not cutting  
7 through anybody's field. That people that own the  
8 land along this railroad right-of-way wanted it that  
9 way when they bought it. It's not being changed. I  
10 myself propose, and I think a lot of the farmers here  
11 will agree the best right-of-way to affect the least  
12 amount of people, follow the Milwaukee Roadway and  
13 then head north on the east side of Aberdeen, straight  
14 up north to Ellendale.

15 Another thing, on these posts going on your  
16 property. Who is going to take care of the weed  
17 control around these posts? There is going to be a  
18 minimum of three-feet plus on each side of those  
19 posts, because there is no big machinery to go up next  
20 to these posts to farm. So I plan to put in my  
21 contract, if I -- when I sign it, if I get my price.  
22 Talked to the guy a price. I told him it's not cheap.  
23 He knows what it is. I'm looking at a net price. Net  
24 price per acre. That's a price after Obama taxes 3.4,  
25 15 percent to the federal government capital gains,

1 and 9.8 cents to Mr. Dayton in Minnesota. He just  
2 raised the taxes. So the top preparer now is paying  
3 9.8 percent.

4           Anyhow, I plan to come up with a net figure  
5 for my land, not a gross figure. Gross figure don't  
6 mean crap. I want a net figure. And I'm going to get  
7 paid to take care of the weeds around these posts.  
8 That will be in the agreement if we sign it. If we  
9 don't, I'd just as soon have this power line built on  
10 the railroad right-of-way, and I think a lot of the  
11 farmers will agree with me. It will save a lot of  
12 heartache. This is the first meeting I've attended.

13           Like I say, the sprayers do not want to spray  
14 on that land. As far as that, if you have land you  
15 want to irrigate in the future, you will totally  
16 restrict the use of irrigation on any of this land you  
17 own. You'll be totally limited.

18           Another problem is, you talk about the  
19 right-of-way. It's a hundred fifty feet wide. Okay.  
20 150 feet wide, I'm sure there is in that agreement,  
21 that I cannot build a building in that right-of-way.  
22 I have basically give up the use of that right-of-way  
23 for as long as the land is owned by me or my future  
24 grandchildren and so on. My land is not for sale.  
25 None of it is for sale at any price, period. So I'm

1 not offering land for sale. I'm here to buy land, if  
2 I can buy it right and I'll pay a fair price. And I  
3 believe you guys should take the -- treat the farmers  
4 fair.

5 This power is not going to be used by anybody  
6 in this area. The power is going out of state. Wait  
7 and see if I'm not right. I can tell you where it's  
8 going, but you can figure that one out. It's not west  
9 of here or south of here or north of here. Figure out  
10 what state it's going to. So I don't think the  
11 citizens of South Dakota -- I was born here in 1937.  
12 I love this state. The only reason I don't live here  
13 there was no jobs for me when I got out of college so  
14 I was forced to go to Minnesota for a job. Thank you  
15 for your time. Have a good day.

16 **COMMISSIONER NELSON:** If I could -- I'd  
17 like the response on the railroad right-of-way  
18 question. I think that's a great question.

19 **HENRY FORD:** Yeah, I'm trying to  
20 remember. I know we looked at railroad  
21 rights-of-way when we were routing the line. Is  
22 this an occupied? Is this a used right-of-way or  
23 abandoned?

24 **LELAND STAUCH:** The former Milwaukee road  
25 line. It goes through my land. I have no problem

1 if you put it on the Milwaukee road right-of-way,  
2 railroad line, I have no problem.

3 **HENRY FORD:** So this is an abandoned  
4 right-of-way?

5 **LELAND STAUCH:** It's used now to haul  
6 coal to the power plant to Big Stone City. Now,  
7 Minnesota did not want any power plant coal built  
8 in that State of Minnesota. Just remember that.  
9 They don't want that power plant but they want the  
10 electricity.

11 **HENRY FORD:** Okay. So the right-of-way  
12 that we're talking about is owned by the Milwaukee  
13 or --

14 **AUDIENCE PARTICIPANT:** Burlington  
15 Northern.

16 **LELAND STAUCH:** BNSF.

17 **HENRY FORD:** BNSF?

18 **LELAND STAUCH:** Yeah.

19 **HENRY FORD:** Okay. So we have to work  
20 with the BNSF to use that right-of-way. You know,  
21 there are issues with using that railroad  
22 right-of-way. I'm not going to sit here and say  
23 it's absolutely impossible. One of the things  
24 that becomes a really big issue with railroads and  
25 high-voltage transmission lines is induction into



1 the railroad. And so they don't want high-voltage  
2 transmission lines to parallel railroads. They  
3 prefer that we just cross them. The induction of  
4 this voltage into the railroad. They use --

5 **COMMISSIONER NELSON:** Well, you're going  
6 to have to explain that, because it's okay for  
7 induction to affect these guys' GPS potentially,  
8 but not a railroad, so explain that to me.

9 **(Applause.)**

10 **HENRY FORD:** (Chuckles.) Well, all I'm  
11 saying is that when we work with the railroad, we  
12 have to get a permit from the railroad in order to  
13 use their right-of-way. And that permit will be  
14 subject to those -- I don't even know for sure --  
15 I'm not the expert on working with the railroad.  
16 I'm not sure who is in this group here, if anyone  
17 would recall what kind of permit conditions there  
18 might be for working with them. But, you know, I  
19 know we did look at the right-of-way, the railroad  
20 right-of-way in some cases. Right now I can't  
21 tell you exactly where that railroad runs and how  
22 that is in relation to our line, as to whether or  
23 not that was an option or not. I would have to do  
24 a little checking into that one. I don't think I  
25 can sit here and really answer that one, at least

1 not myself.

2           **COMMISSIONER NELSON:** Just for the  
3 record, before these proceedings are concluded, at  
4 whatever point that might be, I would prefer, at  
5 least one commissioner would like an answer to  
6 that question. Thank you. We all would.

7           **COMMISSIONER FIEGEN:** Thanks.

8           **KEN VOGELE:** Ken Vogele, once again.  
9 V-O-G-E-L-E. I'm interested in what we can expect  
10 in terms of the effect of the transmission line on  
11 our land's land value in terms of selling that  
12 land. It has to be known from all the lines that  
13 have been put across the country what happens to  
14 land values when you've a line on them.

15           **HENRY FORD:** Well, there are impacts to  
16 land value. Sometimes they're short-term impact,  
17 sometimes they're long. I think it's kind of a  
18 case-by-case basis. We looked at some studies  
19 pertaining to that to see if, you know, our  
20 offer -- What we are trying to do is the offer  
21 that we're making for the easement should, in our  
22 view, take into account what the impact is on  
23 devaluation of the land as well. So that's really  
24 ultimately what we're trying to do. I don't know  
25 if I could -- I'm probably not the best one to

1 answer that from like what's a percentage impact  
2 or something like that.

3 I don't know, Terry, if you have -- I forget  
4 those studies that we were looking at. You were the  
5 one that was talking about that.

6 **KEN VOGELE:** That has to be known.

7 **CHAIRMAN HANSON:** Sir, the mike.

8 **KEN VOGELE:** That has to be known. There  
9 have to be studies out there that tell you exactly  
10 what happens to land value when you look at a  
11 number of different land sales compared to  
12 surrounding land.

13 **HENRY FORD:** Yes, there are studies that  
14 talk about that. I'm not sure that the studies do  
15 come out with a, you know, definitive answer that,  
16 you know, a transmission line of this size has  
17 this percentage impact on land value. But there  
18 are studies that talk about an impact to land  
19 value. That much I know. I would have to defer  
20 to Terry for details about what the impact might  
21 actually be, if he remembers.

22 **TERRY FASTEEN:** Can I speak?

23 **HENRY FORD:** Do you want to try to speak  
24 to that? Put you on the spot.

25 **TERRY FASTEEN:** That's all right.

1 Terry Fasteen. F-A-S-T-E-E-N. Oop, there goes  
2 all my business cards. I'm with Kadrmas, Lee, and  
3 Jackson.

4 Devaluation or valuation of properties is  
5 really only determined by actual appraisals of the  
6 property. The studies that we've looked at -- And  
7 there is several out there. I can't quote the  
8 author's name. But they seem to indicate that perhaps  
9 the year of construction, the first three to four  
10 years after, there is an assumed depreciation.

11 In agricultural areas, there is six items  
12 that they look at. The individual property. The  
13 quality of the property. The size of the property.  
14 Is there other property available for sale. Where the  
15 line is located on that property. How the structures  
16 are sited on that property.

17 Most of the studies that you look at say  
18 within the first five years after construction, there  
19 could be potentially a 3 to 10 percent reduction in  
20 value. But as time goes on, that reduction decreases.  
21 But, again, it can only be determined by an actual  
22 appraisal. There is -- Because you look at the  
23 studies they give you a range, just like anybody else.  
24 They're not willing to commit to a certain percentage  
25 that it's just going to be across the board. You

1 know, I really couldn't -- I could pick a number, but  
2 it's going to be refuted, so. But that's the best  
3 that's out there that we've got access to. If that  
4 helps.

5 **HENRY FORD:** You would agree, Terry, that  
6 the easement prices that we have determined for  
7 this project did make an effort to take into  
8 account some land devaluation.

9 **TERRY FASTEEN:** It was part of the study.  
10 The vast majority of our values came off of  
11 current sales. You know, something that's within  
12 the last five years at the latest and went across  
13 each county, was done by independent people, not  
14 by the project, somebody we hired. Plus, the  
15 information was gathered by Agricultural Statistic  
16 Services from the colleges here in town, so -- in  
17 the state, excuse me. So that's what was  
18 analyzed.

19 **CHAIRMAN HANSON:** I would like to  
20 piggyback on that. When you say the number of  
21 years that you had opportunity to look at, were  
22 there very many sales in the past year that you're  
23 able to look at, and did you give more weight to  
24 the more recent sales?

25 **TERRY FASTEEN:** Everything was brought up

1 to current values with the information that we  
2 have from the colleges, showed an inflationary  
3 rate per year. Certain areas had more recent  
4 sales and I'll say in the last two to three years  
5 than others, but everything was brought to a 2013  
6 value. And we put it to potential inflation rate  
7 for 2014, and that's the value we used was an  
8 anticipated 2014 value.

9 **CHAIRMAN HANSON:** Thank you. Do we have  
10 another question over here?

11 **SCOTT SPERRY:** Yes. I'm Scott Sperry.  
12 S-P-E-R-R-Y. And my question is, I have two  
13 center pivots, and according to the map on your  
14 website, the line is going to go right across one  
15 of them. How is that going to work?

16 **HENRY FORD:** We've been working with  
17 several landowners that have center pivot  
18 irrigation. In most of those cases -- And I don't  
19 know whether we have been talking to you  
20 specifically about that yet or not. But now that  
21 we have your name we'll make sure that we do.  
22 Most of those cases we're able to shift the line a  
23 little bit one way or the other so that it doesn't  
24 impact as far as the orbit, you might say, of the  
25 center pivot. You know, as far as the spray

1 nozzle height and so forth, the conductor height  
2 is quite a bit higher than that so you don't have  
3 any concerns with actually water impacting the  
4 line. The main issue would be the swing arm of  
5 the center pivot, you know, having an obstruction  
6 in its path which would be one of the structures.  
7 So we're able to either shift the line or shift  
8 structures to avoid that.

9           **SCOTT SPERRY:** I am considering putting  
10 on a corner system. So there would be no area in  
11 the field that would be not available to put power  
12 lines in.

13           **HENRY FORD:** Okay. Yeah. We just  
14 would -- We would want to sit down with you and  
15 see your center pivot plan so that we can  
16 determine if we can design the line around the  
17 impacts of that. That's what we've been doing  
18 with all the center pivots.

19           **DON SCHORNACK:** My name is Don Schornack.  
20 S-C-H-O-R-N-A-C-K. Probably the longest one here  
21 today. But anyway, I own some farmland northwest  
22 of Groton about five miles, and my question is  
23 this, in regard to right-of-ways: Why not try to  
24 go down the road right-of-ways, whether it be a  
25 township or county or whatever, rather than cut

1 across a quarter section or 80 acres or whatever  
2 it might be? Seems to me it would be logical. I  
3 don't know how your cost would be affected, but I  
4 guess that's what I'm looking for.

5           **HENRY FORD:** One of the issues that we  
6 always face if we build a transmission line  
7 actually within road right-of-way is we get an  
8 occupancy permit from, if it's, say, a state  
9 highway, we get an occupancy permit from the state  
10 DOT. That occupancy permit states that if the  
11 state needs to come in and rebuild that line or do  
12 anything with that right-of-way, that we then have  
13 to relocate that line at our expense. So what can  
14 happen, obviously, is you build a line and then  
15 five years down the road, you're forced to move it  
16 and essentially build that line twice.

17           **DON SCHORNACK:** Okay.

18           **HENRY FORD:** So for that reason, we  
19 definitely try to stay out of the -- particularly  
20 the state highway right-of-way. And the county,  
21 county road right-of-way, I think there may be  
22 instances where we are utilizing some of that.  
23 You know, typically, the 33 feet right-of-way on  
24 the center lines, that type of thing. So it's  
25 primarily the state highways that are the biggest



1 concern.

2           **COMMISSIONER NELSON:** If I could just  
3 follow up on that because that's one of the  
4 questions I wanted to ask. In looking at the map,  
5 it looks like there is literally miles and miles  
6 of what's either township or county right-of-way  
7 where you're into the section, I don't know, 100,  
8 200, 300 feet, as opposed to being in that county  
9 or township right-of-way. And it's -- You know,  
10 we're talking miles and miles, not just short  
11 sections. So what's the rationale for that?

12           **HENRY FORD:** The main rationale was  
13 thinking that from a farmer's perspective, if we  
14 place that structure closer to the edge of the  
15 field, they are only able to drive by that  
16 structure on the one side. And I guess based on  
17 some of the feedback we've had on other projects,  
18 we've had cases where farmers have told us that  
19 it's actually preferable to have that structure  
20 further out in the field where they're able to  
21 drive by with the equipment on both sides. So the  
22 150 feet out is chosen knowing that this is the  
23 size of a lot of the equipment that's out there  
24 today. So I guess it was kind of a judgment call  
25 on our part thinking that we would have more

1 support for the line at that location. I think if  
2 that is not the case, obviously, we're looking to  
3 adjust accordingly.

4 **COMMISSIONER NELSON:** So that's an issue  
5 where you would be willing to work with individual  
6 landowners if they'd prefer to be in the road  
7 right-of-way, and there is any way to do that, you  
8 could maybe make those adjustments; is that  
9 correct?

10 **HENRY FORD:** In a general sense, yes.

11 **DON SCHORNACK:** I just want to thank you  
12 for making that comment, because it answered  
13 some -- my questions. So I come to you, and I  
14 say, I don't want this in the middle of my quarter  
15 or whatever, you're willing to negotiate?

16 **HENRY FORD:** Yes.

17 **DON SCHORNACK:** Okay. Thank you.

18 **DAVE NILSSON:** Hi. I'm Dave Nilsson and  
19 I live up by Columbia-Bath area. I've been  
20 talking to a lot of these guys all the way along.  
21 And I seem to be getting different answers every  
22 time I do this. I talked to them the first time  
23 and they said there is no way we're ever going to  
24 come this route because there is too many corners  
25 in it. Next time I talked to them they said,

1 Yeah, we're going to come that way. I said, Why  
2 are you coming that way? I thought you said there  
3 were too many corners. Oh, we need corners in it  
4 to make it stronger. Now just talking to you  
5 earlier, you said it would be a lot easier just to  
6 go straight across and not have any corners at  
7 all. So which is it? Do you need the corners or  
8 don't you need the corners?

9 **HENRY FORD:** The corners are one way of  
10 strengthening the line in the sense that when you  
11 have a corner, you do what we call double  
12 dead-ending, and that is you take the conductor  
13 and you cut the conductor at that point and you  
14 tie it in a different manner. It's secured to the  
15 structure on both sides. But we are going to have  
16 a structure of that type, roughly, I believe it's  
17 every five miles, or every five to ten miles along  
18 this route. So if you have a corner structure,  
19 the corner structure does the same thing as inline  
20 structure, as far as strengthening the line or not  
21 strengthening the line. So if you have a corner  
22 structure here, that means you don't have to put  
23 in one of those double dead-end structures in that  
24 stretch of line.

25 **DAVE NILSSON:** But you've got corners

1 every half mile. I looked at one quarter that I  
2 farm that you're going to be on the north side of  
3 it, and you're also going to be on the east side  
4 of it. Now, are you going to set brace corners  
5 in, or are you not going to put brace corners in?  
6 I've heard that both discussions. One guy said  
7 yes and one guy said no. So what are you going to  
8 do?

9 **HENRY FORD:** When you say "brace," do you  
10 mean as far as guyed or unguyed?

11 **DAVE NILSSON:** Yeah, you've got to have a  
12 brace in the corner to hold them? Or you just  
13 going to set a corner post, and then are you just  
14 going to take off with a wire? Or are you going  
15 to have a brace behind it like you would on a  
16 normal fence?

17 **HENRY FORD:** Uh-huh (Yes). At this point  
18 I think there is the option to do either,  
19 depending on the situation. We talked about  
20 within our team that there are probably some  
21 corner locations where putting anchor guys down is  
22 not going to interfere with the landowner, whether  
23 it be -- you know, I don't know what the situation  
24 might be. Certainly not in cropland, but, so  
25 there will be potentially some corner structures

1 out there that are guys, but there will be others  
2 that will be unguyed.

3           **DAVE NILSSON:** So you want us to say yes  
4 to this because we don't know where we got the  
5 poles, where they're going to be? Whether they're  
6 going to be in the fence line, they're going to be  
7 200 feet out? We don't know if we're going to  
8 have a guy wire or not going to have a guy wire.  
9 We really don't know what we're up against but yet  
10 you still want us to sign stuff, do this, when we  
11 really don't know what you're doing.

12           **HENRY FORD:** Yeah, I mean, what we're  
13 trying to do is get an idea of where the center  
14 line for this project is going to run, which is  
15 the reason for the options. We do have now a  
16 preliminary structure locations defined. So we  
17 are able to share with you currently where we  
18 think structures are going to be placed.

19           **DAVE NILSSON:** So we're not going to be  
20 200 feet out in the fields then?

21           **HENRY FORD:** I can't say specifically to  
22 your location where you're going to be. I mean,  
23 we can look at that. That was our -- Initial  
24 design criteria was that we would be out that  
25 distance from a right-of-way line or potentially

1 edge of field. We're talking mostly section  
2 lines. Quarter lines, no. Quarter lines, if  
3 we're running along a quarter line, initially  
4 we're saying 10 feet off the quarter line.

5 **DAVE NILSSON:** Why not go right down the  
6 quarter line? That makes a lot more sense than  
7 trying to have one guy is going to lose 10 feet of  
8 his field; the other guy is not going to lose any  
9 of his field. Go right down the middle, each one  
10 of them lose four feet.

11 **HENRY FORD:** Yeah, and we're looking at  
12 that and we've done that already in some other  
13 locations so if that's what those landowners  
14 prefer in that area, that's probably what we're  
15 going to do.

16 **DAVE NILSSON:** Well, I know the one you  
17 got going in Marshall right now, that's what  
18 you're doing. I don't know if you guys -- who's  
19 doing it. They're going right down the middle,  
20 and they're going on the right-of-ways, and that's  
21 how they're building that one, the same power,  
22 same scenario.

23 **HENRY FORD:** Uh-huh (Yes).

24 **LYLE PODOLL:** Um, my voice isn't so good  
25 today. Lyle Podoll. P-O-D-O-L-L. And I guess we

1 brought it up in the packet that we gave to the  
2 PUC. But a little studying our own, a few of us  
3 sat down and looked at this. There is an area  
4 going from Havana -- or from Ellendale to Havana,  
5 North Dakota, and to cut diagonally in the  
6 Coteau Hills where it's mostly pastures and not  
7 many people, and end up at the slope line, which  
8 is the rail line from Sisseton to Milbank, is a  
9 very little used line. And my sources tell me  
10 that they would be -- for money, they would be  
11 willing probably to sell right-of-way to that. It  
12 cuts 40-some miles probably off your route, could  
13 save you \$80 million.

14 I know when put up against the area there to  
15 the east, where you have put on your map that you did  
16 not consider for whatever reasons, but if you got to  
17 that point, then you could still go down around to the  
18 south, clip right here, you're going to end up the  
19 last few miles, anyway. Was that ever considered at  
20 all?

21 And I guess as a property owner, if I would  
22 have adjoined the rail line and the rail line didn't  
23 give you permission, as a property owner, I'd just as  
24 soon have eight-foot of pole out on my property and  
25 there is only five to a mile and work on that versus

1 down the middle of the section, where two guys have to  
2 work around it. I'm just still looking at if there  
3 aren't other scenarios to look at here and save  
4 yourselves a lot of money and save everybody here a  
5 lot of headache. So that's all I've got. Thank you.

6 **HENRY FORD:** Okay. Yeah, I'm not  
7 familiar myself with those transmission projects  
8 you talked about so we'd have to do a little bit  
9 of digging on that.

10 **PAUL DULITZ:** In discussion with another  
11 individual the question was asked, What's the  
12 design life of this project?

13 **HENRY FORD:** Steel construction of this  
14 type I believe we're expecting 75 to 80 years,  
15 something like that. You know, that would be  
16 typical.

17 **PAUL DULITZ:** Okay. And then -- Thank  
18 you for that. Oh, excuse me. Pardon me, court  
19 reporter. Paul Dulitz, again, landowner.

20 Also one other question that my renter had on  
21 his property, he had a center pivot, and according to  
22 what he told me, is that the acquisition people said,  
23 Well, if there is no center pivot on this property  
24 when we engineer it, we're not going to engineer it  
25 for a center pivot. So we're getting, again, you



1 know, acquisition people that are speaking for, you  
2 know, for BSSE that are not evidently taking into  
3 account things of the landowner. But the comment was  
4 made to me is, well, we'll put a center pivot on there  
5 in six months. By the time you're ready to engineer  
6 it, we'll have a center pivot there if you're not  
7 going to engineer that way.

8 **HENRY FORD:** Yeah, we certainly want to  
9 know about any center pivot projects that are  
10 being planned so that we can design the line  
11 accordingly. So I'm not sure the circumstances,  
12 whether that land agent would have said this, but,  
13 you know, within reason, we're wanting to make  
14 sure that if there are plans to put a center pivot  
15 on a location, we're going to want to work with  
16 you to avoid that.

17 **PAUL DULITZ:** There is permits, water  
18 permits; wells are there. The center pivot was  
19 taken down, but it could be relocated there very  
20 quickly.

21 **HENRY FORD:** Well, I think there should  
22 be no problem to work with you then on that one.

23 **CHRIS PODOLL:** Chris Podoll.  
24 P-O-D-O-L-L. And I would like to go back to the  
25 property values a little bit here. I know you

1 said the easements were going to pay for some of  
2 the devaluation, but what about the guy who has  
3 one of your 150-foot poles 100 feet or 75 feet out  
4 his front door right across the road from his  
5 home. It's not on his property. But, obviously,  
6 if I'm going to look at a house to buy one and  
7 there is a 150-foot tower out in the front, I'm  
8 going to probably not even look at the property.  
9 How would those situations be handled?

10 **HENRY FORD:** So you're suggesting, I  
11 guess, that a landowner across the road from  
12 another landowner where we're dealing with on  
13 right-of-way, we've gotten an easement or whatever  
14 from that landowner, they're signed up, but the  
15 landowner across the road, we're not dealing with?  
16 What we're going to do for him? Is that -- Did I  
17 hear that now?

18 **CHRIS PODOLL:** That is what I stated.  
19 But also let's say the landowner you're dealing  
20 was right out their front door, the easement,  
21 obviously, the money you're paying for easement is  
22 not going to cover the reduction in property value  
23 for the guy with that line 75, 100 feet outside of  
24 his front door.

25 **HENRY FORD:** Yeah. Well, it's true that

1 on this project we don't have any homes that are  
2 within that distance of the line. As I stated,  
3 when we talked about the routing criteria, that  
4 was one of the important routing criteria that we  
5 had was to keep the line, the center line, and  
6 therefore structures, as far away from any  
7 occupied housing that we found on the line. So, I  
8 mean, that's our way of trying the best we can to  
9 minimize impacts to land values of someone who,  
10 you know, who may have a home on that property.  
11 I'm not sure that we can do much more than that.

12 **JOEL PODOLL:** Joel Podoll. P-O-D-O-L-L.  
13 And your line is coming in front of my house  
14 probably within about 150 foot each. I don't own  
15 the land across the road from my house. It would  
16 be about 300-some feet, so, where the line is  
17 going to go. But what is that going to do to the  
18 value of my property, my house we just built three  
19 years ago? I don't really want to look across the  
20 road and look at your power line.

21 **HENRY FORD:** Uh-huh (Yes). Well, I know  
22 we are, you know, working with you folks right now  
23 on some options to reroute the line. So I think,  
24 you know, it's best that we continue that  
25 conversation, try to determine if there is a

1 reroute that can best satisfy your concerns and  
2 not create concerns for others as well. So, you  
3 know, we're -- We want to work with you and we're  
4 wanting to have these conversations, so you guys  
5 are doing the right thing by sending the letters  
6 and sending the recommendations for us to look at  
7 some potential route changes and, as I said, we're  
8 willing to do that.

9 **COMMISSIONER NELSON:** Joel, could you  
10 tell me what your township range and section is  
11 and where you're at?

12 **JOEL PODOLL:** Three miles east, the west  
13 quarter of -- It's Garland Township. Joel Podoll  
14 again. Garland Township, 9-125-63. I'm on the  
15 corner of 120th Street and 390th Avenue.

16 **COMMISSIONER NELSON:** Thank you. Thank  
17 you.

18 **DENNIS FEICKERT:** Dennis Feickert. It  
19 was presented earlier that the economic impact in  
20 the three counties would be quite substantial, and  
21 I would have to agree that in the initial phase of  
22 putting the line in, would have an instant impact  
23 on sales tax revenue. I guess one of the things  
24 that I noticed was that you lumped county revenue,  
25 and I think for Brown County, if I remember right,

1 it was 750-to-800-some thousand dollars, and I  
2 guess I'm not sure if you realize but you have to  
3 break that down to the schools, to the various  
4 townships, to the water development districts,  
5 those types of things, and I think pretty much  
6 everybody in this room realizes that our roads are  
7 in really, really bad shape in Day County,  
8 Grant County, Brown County. So it looks really  
9 great when you present numbers like \$850,000, but  
10 65 to 70 percent of that is going to the school  
11 district. Then the other thing that I would like  
12 to have you explain to the crowd just exactly how  
13 centrally assessed works.

14 **HENRY FORD:** I am not a tax accountant.  
15 (Chuckles.) I'm not sure that I can do that. Is  
16 there anyone here in the team that has any  
17 knowledge about central assessing of taxes? I  
18 believe, and I'm kind of just speculating -- I  
19 don't know if I should do that or not. I think we  
20 pay the taxes to the state and the state  
21 distributes it? I'm not a hundred percent sure of  
22 that. I think there may be even a difference  
23 between North and South Dakota.

24 **THOMAS WELK:** Why don't we try to answer  
25 your question by just giving a letter -- There is

1 somebody that does this every day. This is  
2 Tom Welk. Why don't we just try to answer your  
3 question by giving that process -- There is people  
4 that do this every day. It's very complex. I've  
5 done some of this with the telephone company, but  
6 why can't we just -- Now that you've made that  
7 statement, there will be a transcript so we can go  
8 back, and if you've got your address on it, we can  
9 get somebody who does know about this to answer  
10 your question.

11 **DAVE NILSSON:** Yes, this is Dave Nilsson  
12 again, Bath. You made the comment earlier about  
13 the railroad tracks and you wouldn't be able to do  
14 that because of the electricity in the rail line.  
15 What about the houses that they were talking about  
16 that are 150, 200 feet away? If the railroad  
17 doesn't want it on their property, why should we  
18 have it that close to our building site and our  
19 farm site? My son is going to have a house not  
20 that far from the property also, so. Answer that.

21 **HENRY FORD:** Well, the induction effects  
22 really are pretty limited in distance. If we're  
23 running right along the edge of the railroad  
24 right-of-way, and I don't know the specifics about  
25 this particular railroad or where we might end up

1 running, but my assumption was that we're going to  
2 be a lot closer than how we are running along  
3 these, near some of these homes where we have -- I  
4 know we had the statistics as to how many homes we  
5 come closer than 500 feet. 500 feet was our goal,  
6 when we started out with this project, was that we  
7 should not route the line within 500 feet of any  
8 home. And there are a small list of exceptions to  
9 that rule where at least with the current route  
10 we're not able to do that.

11 But even at 300 or 200 feet, the induction is  
12 not as big of an issue. And the issue with the  
13 railroad is not so much just the fact that you are  
14 this distance, but that you're paralleling. They're  
15 like another conductor. Their railroad parallels,  
16 excuse me, parallels our transmission line for a long  
17 distance. And when you do that, that is where the  
18 induction becomes an issue. Something like a  
19 structure, very limited induction, because of just the  
20 fact that it's this point. I can't really explain it  
21 any better than that.

22 **DAVE NILSSON:** You also mentioned the  
23 fact of the high-line poles, the inconvenience of  
24 you guys having to move them if the road comes in.  
25 What about the inconvenience for us over the 30,

1 50, 60, 80 years, that we've got to drive around  
2 these all the time if we set them out in the field  
3 200 feet?

4           **HENRY FORD:** We certainly won't argue  
5 with you that that's not an inconvenience to you.  
6 And that's why our goal here is in trying to place  
7 the structures where the inconvenience is  
8 minimized. And, you know, we came into this with  
9 certain assumptions, and I guess if our  
10 assumptions are wrong as to whether the farmer  
11 would prefer it 150 feet out in his crop versus on  
12 the edge of his crop, you know, we're willing to  
13 look at that. And we've already, you know, stated  
14 that for the record. But we're, you know, we're  
15 doing our best to locate the line where we think  
16 has the least impacts. And that's really the  
17 bottom line. The line has to go somewhere, and  
18 we're trying to minimize the impacts as the best  
19 we can.

20           **DARRIN ERDMANN:** Darrin Erdmann again. I  
21 have a question, beings we're -- you know, we're  
22 going to partner with you on this. If you want to  
23 come through our fields, our property, we're in  
24 this for 75, 80 years. There is GPS -- or there  
25 are GPS issues that are going to take place.



1 There are communications issues. There are  
2 convenience issues. Our family is involved with  
3 wind energy in South Dakota and part of the  
4 easement is profit sharing. Would you be willing  
5 to pay us for the percentage of how much  
6 transmission or electricity runs down the line?

7 **HENRY FORD:** You know, as a public  
8 utility, we do not get paid anything for  
9 electricity flowing on this line. This facility  
10 is an asset, and this one is a little bit unique  
11 in the sense that it's -- As part of this MISO  
12 process, what happens is the other MISO members  
13 are helping pay for this line because the line is  
14 identified as benefiting all MISO members. But  
15 whether there is one megawatt or, you know, a  
16 thousand megawatts flowing on the line, there is  
17 no change in compensation. Basically, for us,  
18 this is, this is like building something that  
19 you're going to get a fixed return on. So we  
20 build this facility and we get essentially a fixed  
21 cash flow return on that through the MISO tariff  
22 process.

23 **DENNIS FEICKERT:** Dennis Feickert again.  
24 Maybe a question for an electrical engineer. As  
25 far as the concern of conductivity on a railroad

1 track, is there -- isn't there technology out  
2 there that would somehow alleviate some of that  
3 problem or that problem in general?

4 **DANNY FREDERICK:** Do you want me to --

5 **HENRY FORD:** He pointed to you.

6 **DANNY FREDERICK:** Danny Frederick again.  
7 Yeah, Henry pointed out the best, is the reason or  
8 the issue with the induction on the railroad is  
9 because you do have two large metal conductors  
10 that are running for miles and miles and miles.  
11 There are ways to mitigate that, yes. I don't  
12 know all -- There is multiple ways to mitigate it.  
13 I don't know each one of them. We don't need to  
14 go into that here. We can meet with you  
15 afterwards. What was the second part of your  
16 question?

17 **DENNIS FEICKERT:** That was just it.

18 **DANNY FREDERICK:** Did that answer that  
19 for you?

20 **DENNIS FEICKERT:** To the best you can, I  
21 believe. Thank you.

22 **DANNY FREDERICK:** Okay.

23 **CHAIRMAN HANSON:** If there is some folks  
24 who haven't had an opportunity to ask some  
25 questions, we would certainly like to get to you

1 folks too. Raise your hand. There is a hand over  
2 here. Oh, you've got one there. Okay. Yes.

3           **WAVA SEURER:** I'm Wava Seurer.  
4 S-E-U-R-E-R. And my sister and I have land that  
5 we rent out, and the man that rents it has a  
6 milking situation and everything is on computer.  
7 Everything. Now, this is coming awful close to  
8 his place. And all the cows are -- have their own  
9 little device on them, and that all goes into the  
10 computer. Okay. How much stuff would come off  
11 the power line to mess up that type of thing?  
12 Because that will also affect what he pays us for  
13 our land.

14           **CHAIRMAN HANSON:** Can you give us an idea  
15 of what the individual, what the effect would be  
16 on individual sensors for dairy cattle?

17           **HENRY FORD:** You know, unless those --  
18 And probably not, because I'm not familiar with  
19 the technology, but as far as the electric and  
20 magnetic field that's generated by a power line,  
21 that field, you can plot that field out and  
22 generally what happens is by the time you get to  
23 the edge of the right-of-way, that field is down  
24 to essentially background level. So unless this  
25 communications and this sensor and this operation

1 is located within the right-of-way, there is not  
2 going to be any effects to this equipment. I  
3 mean, if it's 200 feet away or 300 feet away, it's  
4 not going to affect that equipment.

5 **CHAIRMAN HANSON:** You'll have information  
6 for us, though, on that, when you come before us?  
7 That's not so much a question, I guess.

8 (LAUGHTER.)

9 **HENRY FORD:** Whatever you would like.

10 **CHAIRMAN HANSON:** All right. You'll  
11 provide that for us then. Thank you.

12 **WAVA SEURER:** I think that that would be  
13 awfully close to his facility for milking.

14 **HENRY FORD:** Yeah, I think we want to  
15 look at the precise location that we're talking  
16 about then. So that we can study that a little  
17 closer. So if we can get your -- Well, is the  
18 property in your name?

19 **WAVA SEURER:** It's in my name, and some  
20 of it is in hers and my name. We're sisters.

21 **HENRY FORD:** Okay. Just a second. Do we  
22 have that in the database, then, do you think?

23 **DANNY FREDERICK:** Give me a section,  
24 township, and range.

25 **HENRY FORD:** Yeah, I guess, do you have

1 any idea what your section, township, and range  
2 is?

3 **WAVA SEURER:** Do you have that?

4 **AUDIENCE PARTICIPANT:** We're just one  
5 mile west of Andover.

6 **HENRY FORD:** Okay. So if we look for  
7 your name one mile west of Andover, we should be  
8 okay. So we will do that. We will pull out your  
9 properties there and we'll -- we'll try to locate  
10 the dairy barn operation and then we can do some  
11 analysis on the situation.

12 **LORIE GILCHRIST:** I'm Lorie Gilchrist  
13 from Columbia. Just a couple questions. When you  
14 mentioned the valuations, I understood that you  
15 used sales values through 2012; is that correct?

16 **HENRY FORD:** Just nod your head and I'll  
17 answer.

18 **TERRY FASTEEN:** Through 2013.

19 **HENRY FORD:** Through 2013.

20 **LORIE GILCHRIST:** Okay. Actual sales  
21 values to 2013.

22 **HENRY FORD:** That's correct.

23 **LORIE GILCHRIST:** Thank you. I know that  
24 the easement payments will be made, but what kind  
25 of provisions are there for crop damages for -- I

1 assume you're not going to be building these, from  
2 November 15 to March 15. Or will you be?

3 **HENRY FORD:** Ah, it's possible. It  
4 depends on the location.

5 **LORIE GILCHRIST:** Okay. So that could be  
6 a stipulation, if you were to agree to that, that  
7 they not disrupt farming during the April to  
8 November?

9 **HENRY FORD:** I mean, we probably couldn't  
10 build the whole line during those months. But we  
11 do have -- We will pay damages in addition to the  
12 easement. So any damages -- Let's say we had to,  
13 you know, crossed through your cropland after you  
14 had seeded it. We would figure out the amount of  
15 acreage that was disturbed by that crossing and  
16 pay you accordingly. There is a calculation that  
17 we go through as far as calculating out the crop  
18 loss. And then you go -- there is kind of another  
19 two-year step there that also tries to take into  
20 account potential compaction of the soil. So as  
21 far as cultivated land, any damages, really, any  
22 damages to anything we are committed to paying for  
23 those damages that we've caused. So that's  
24 outside of the easement.

25 **LORIE GILCHRIST:** So that wouldn't be

1 just in the initial year of construction, it would  
2 also include if you had to go in and repair  
3 something and --

4           **HENRY FORD:** Yes. Absolutely. Any time  
5 we go back in there. Like you say, if there was a  
6 storm and some structures went down and we had to  
7 get in there with heavy equipment to repair that,  
8 typically those storms don't occur at the best  
9 weather conditions, and odds are, you know, some  
10 of this property is going to be damaged. We will  
11 settle damages on each occurrence.

12           **LORIE GILCHRIST:** Okay. And for the  
13 questions that I'll think of on the way home and  
14 didn't think to ask here, can we contact -- do we  
15 express our questions or concerns to the PUC  
16 website?

17           **CHAIRMAN HANSON:** Yes, you do.

18           **LORIE GILCHRIST:** Okay. Thank you.

19           **COMMISSIONER NELSON:** I've got a  
20 follow-up question on your land value question,  
21 and we've established that you went through 2013  
22 with actual values, but I think you also mentioned  
23 that you are applying an inflation factor into  
24 2014; is that correct? And what is that inflation  
25 factor? I think all of us would love to know what

1 your projection is for land value inflation  
2 between 2013 and 2014.

3 **HENRY FORD:** We don't have it with us?

4 **TERRY FASTEEN:** No.

5 **HENRY FORD:** Yeah. We got that inflation  
6 factor, though, from -- We didn't invent that  
7 ourselves. Right?

8 **TERRY FASTEEN:** Average of five years.

9 **HENRY FORD:** Average of five years?

10 **TERRY FASTEEN:** Yep.

11 **HENRY FORD:** So whatever was the average  
12 inflation over the last five years was what we  
13 projected forward.

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

15 **AUDIENCE PARTICIPANT:** In land prices --

16 **HENRY FORD:** In land prices?

17 **AUDIENCE PARTICIPANT:** -- or just  
18 inflation?

19 **TERRY FASTEEN:** Land prices.

20 **HENRY FORD:** No, in land prices. Not in  
21 inflation.

22 **CHAIRMAN HANSON:** I would like to quick,  
23 if I could, piggyback on that as well. When you  
24 said compaction, when we did the Xcel/Keystone  
25 line, we looked at compaction and for subsequent



1 years. Is that what you're doing here as well?

2 **HENRY FORD:** Yes.

3 **CHAIRMAN HANSON:** Okay. Thank you.

4 **RANDY BRETSCHE:** My name is Randy Bretsch.  
5 B-R-E-T-S-C-H. I'm a landowner from up close to  
6 the North Dakota border. One of the issues that  
7 we have up there, and I appreciate you saying that  
8 you'd work with us as far as the right-of-ways, if  
9 we wanted them closer to the right-of-ways or, you  
10 know, farther. And that was one of our questions.  
11 But the other one is the land valuation figures we  
12 believe are off, as far as from the North Dakota  
13 line to 10, 15 miles in, the value is changing.  
14 We believe that that land is pretty much all the  
15 same price. Would you be able to work with  
16 something like that to negotiate? Because I don't  
17 know where you're getting your study from, but we  
18 do believe that your valuations aren't close, as  
19 close as they should be.

20 **HENRY FORD:** Yeah, I think like Terry had  
21 mentioned earlier, we used an appraisal firm that  
22 looked at sales, and we also had some information  
23 from the county, I believe, on relative prices of  
24 cropland and pastureland and so forth. So, yeah,  
25 we did not do any specific parcel-per-parcel

1 appraisals. You know, I'm not going to say that  
2 we would agree to do that on every parcel, because  
3 obviously that would be a very major expense. But  
4 if there was a particular reason why, you know,  
5 why that's the case here, why this study that the  
6 appraiser did for us is wrong, then we'd certainly  
7 want to look at it.

8 **RANDY BRETSCH:** Just to follow up: the  
9 two townships that I'm involved in where it's  
10 going in between the township lines I don't  
11 believe there has been a land sale in either one  
12 probably in the last year or two, you know. So  
13 with the inflation in land and stuff, I don't know  
14 how accurate it is in that part of the country,  
15 you know.

16 **HENRY FORD:** Uh-huh (Yes). Do you have  
17 any other bases for the land value in that area  
18 then? I mean, do you have any information you  
19 could share with us?

20 **RANDY BRETSCH:** Um, if you lived there  
21 all your life, you kind of know what the land is  
22 worth. And I would pay more for some of the stuff  
23 north of me than I would south of me. Just soil  
24 types and different things like that.

25 **HENRY FORD:** Yeah.

1           **RANDY BRETSCH:** So on some of the stuff,  
2 the line is going through, we think that the  
3 valuation seems a little low.

4           **HENRY FORD:** I know that that county  
5 resource that we used, that also looks at cropland  
6 and pastureland pricing, does look at soil types  
7 and relative production, you know, capabilities of  
8 the different soils. That's how -- So that was  
9 supposedly factored in to the land value in a  
10 particular area.

11           **RANDY BRETSCH:** I know it's a very  
12 difficult task, and I mean, I was just wondering  
13 if there was any negotiation there. I mean, you  
14 were able to negotiate, or talk if we wanted it  
15 moved close to the right-of-way. And could you  
16 put it right on the right-of-way? I mean, you  
17 don't want to do it on the road right-of-way  
18 because the road, the DOT might make you move it,  
19 but could we put it 10-foot off the right-of-way  
20 where the fence line is, or how far do you have to  
21 be away from the actual right-of-way then? Do you  
22 need to stay so far away from the right-of-way  
23 with the poles?

24           **HENRY FORD:** Once the poles are in  
25 private right-of-way or private land, I don't

1 really believe that there is anything that the  
2 state can do to necessarily stop that. You know,  
3 we look at overhang as well. Some of the things  
4 that was driving that was also looking at, you  
5 know, conductor sag, and there is such a thing as  
6 called conductor blow-out. And so we're looking  
7 to minimize any potential impact to the  
8 right-of-way that way as well. But I don't know  
9 if there is anything that would prevent us from  
10 looking at placing it, like you say, 10 feet off  
11 of the right-of-way line within the private.

12 **AUDIENCE PARTICIPANT:** Zoning.

13 **HENRY FORD:** Zoning? Yeah, if there is  
14 counties that have particular zoning rules, then  
15 that would be the issue. And I don't know if  
16 that's the case where you're at or not.

17 **AUDIENCE PARTICIPANT:** The zoning guy is  
18 sitting over there.

19 **HENRY FORD:** (Chuckles.) Well, he can  
20 answer your question then better than I can.

21 **LYLE PODOLL:** This is Lyle Podoll again.  
22 I only had one comment I wanted to get on the  
23 record, too, about health issues. I know there is  
24 a lot of literature out there both ways if you  
25 study the Internet. Our family history, we had a

1 345-kilovolt Basin Electric line go through our  
2 land. We're small operators. That's in the early  
3 '70s. And in '91, my dad had gotten cancer and  
4 died. It was real quick; it only took like a week  
5 or so. My brother and I developed cancer 15, 16  
6 years ago. Ours was different than our father's.  
7 Now, we could say that's genetic, it could well  
8 be, but we didn't have the same cancer he did.  
9 The problem is my wife got cancer, and my  
10 brother's wife died in 2004 of cancer. My mother  
11 and my sisters didn't have any problems. They  
12 weren't out on the farm much. Now, on the quarter  
13 of land where these two poles run through  
14 diagonally, we go under and if we -- years back,  
15 with equipment we didn't have cabs on them, a  
16 14-foot swather, we make almost 200 passes under  
17 this line. And we do that over 20 or 30 years.  
18 I'm not accusing these lines of causing cancer,  
19 but you can imagine why five out of eight of us  
20 got cancer that we're a little concerned about it.

21           So when my son says this thing is 300-some  
22 feet out his front door, I've got to think about my  
23 grandchildren too. So I mean, I hope that you as a  
24 power line and you as PUC people think about that,  
25 because the studies, there is two things that stick

1 out in these studies. Childhood leukemia, a very,  
2 very high rate of incidence, and when they've tested  
3 under these lines. And the second thing is the more  
4 we find out about power lines, the more evidence comes  
5 up that this could be a problem. So we need to  
6 consider that because 30 years ago, cigarettes weren't  
7 a problem either. But today we know how they are.  
8 Maybe 30 years down the road we'll find out. But the  
9 problem with that is, you'll be retired and I'll be  
10 retired and nobody is going to have to answer for this  
11 if this is going to be a serious issue in the future.  
12 I mean, I'm just trying to from a personal standpoint,  
13 it kind of scares us a little bit about the way this  
14 thing can go. So, thanks for your time.

15           **CHRIS PODOLL:** Chris Podoll again. I  
16 want to go back to I think it was maybe the very  
17 first question of the day about what else can take  
18 place on the easements besides, you know, I think  
19 the statement said, Can I -- Power line, can an  
20 oil line go in next to these power lines or --

21           **AUDIENCE PARTICIPANT:** Speak up.

22           **CHRIS PODOLL:** The way you answered the  
23 question, was, no, an oil line couldn't go in, but  
24 was there something within this easement that  
25 states that you can't hang a second power line on

1 these same poles or put another set of poles right  
2 next to them within that easement.

3           **HENRY FORD:** Usually that language is in  
4 the easement. Depending on how the easement is  
5 written, they're going to talk about -- I've seen  
6 easements where the language says one transmission  
7 line consisting of -- So the easements can be  
8 written as specific as they need to be written.  
9 You know, a hundred fifty foot wide easement is  
10 not wide enough to build another transmission line  
11 next to this transmission line that we want to  
12 build.

13           Now, our easements are not exclusive  
14 easements. So that means that if an oil company  
15 wanted to put a pipeline for some reason within that  
16 easement and you prefer that they put that pipeline in  
17 that same location, you could grant them an easement  
18 for the pipeline within the same strip of land that  
19 you've already granted an easement for the  
20 transmission line.

21           But the transmission line easement is going  
22 to state that it's an easement for an electric  
23 transmission line, and, you know, it's going to talk  
24 about the one set of structures. And, I mean, I don't  
25 think we have one here handy that we could pull out

1 and read to you, but you've gotten a copy, I believe,  
2 of the easement form that we intend to use; correct?  
3 So you look at the language in that easement form and  
4 I think you'll find it's pretty clear that that  
5 easement is for this specific project. And that's  
6 really all it's good for.

7           **LELAND STAUCH:** I have a couple  
8 questions. Leland Stauch again. As far as land  
9 values, the only reason land prices took off in  
10 the last two years, and it's basically because of  
11 the high price of corn, soybeans that affect the  
12 land value. Land in the Groton area was selling  
13 in the area under \$5,500 an acre three years ago.  
14 The land that was sold last sales in that area and  
15 northwest of Groton have sold as high as 13,000 an  
16 acre. That's a pretty large increase from 5,500  
17 to 13,000 an acre in just two years. And it's all  
18 been affected by the high prices of corn.

19           Now, if corn goes down, land prices will  
20 stabilize. The only check is this. Most people if  
21 the land is paid for will not sell the land, because  
22 once they've heard that 12,000, 13,000-dollar price,  
23 unless they're desperate, they're not going to sell  
24 the land.

25           And I would have to say right now with the



1 present farm program where it is, I think land prices  
2 will remain stable. I'm an economics major, South  
3 Dakota State, and I'll tell you what, I don't look at  
4 land prices dropping within the next five years unless  
5 somebody gets forced to sell. That's where I come  
6 from.

7           What the price of the corn is going to be,  
8 right now, land rents have not went down. Most of  
9 them are either holding steady or going up. So there  
10 is nobody doing any discounts for this quick drop in  
11 corn prices in many places. What's going to happen  
12 two years from now, we don't know. And that's where  
13 the changes are. It's anybody's guess but I'll tell  
14 you what, most land is not going to sell at a  
15 distance. They just sold some land south of Andover,  
16 right next to my land. I bought it five years ago.  
17 The price is many times what I paid for mine. I paid  
18 a fair price. This sold at twenty-eight hundred and  
19 25 bucks an acre for land with the soil  
20 classifications, the majority of it, No. 4 and 5 type  
21 soil, which is not cropland. Basically, a No. 4 and 5  
22 soil is pasture or hay land. Thank you for your time.

23           **DENNIS JONES:** Dennis Jones just one more  
24 time. That is a question for the PUC. Do you  
25 have the proper protection for landowners as far

1 as problems, as far as transferring these  
2 right-of-ways that we're giving down the road?  
3 Does the State of South Dakota have things in  
4 place that does protect us?

5 **CHAIRMAN HANSON:** I'm not sure I  
6 understand your question. Protect you from?

7 **DENNIS JONES:** From them possibly putting  
8 an oil pipeline on this right-of-way.

9 **CHAIRMAN HANSON:** Oh.

10 **DENNIS JONES:** Things like that.  
11 Protection down the road.

12 **CHAIRMAN HANSON:** As far as I understand,  
13 the easement only provides for a -- I've never  
14 heard of someone putting an oil pipeline down  
15 through the same easement. Obviously within  
16 communities you'll have numerous utilities along  
17 the side of a street or under a street. But  
18 your -- the agreement and information, the siting  
19 process that we have here today is only for an  
20 electrical transmission line for an easement. If  
21 they come -- If they're going to put down an oil  
22 pipeline, for instance, they would have to come  
23 back and go through a siting process with the  
24 South Dakota PUC again. This does not give them  
25 carte blanche to put down just whatever they want

1 in the future.

2           **DENNIS JONES:** Thank you for answering  
3 that question.

4           Today there is a lot of landowners that  
5 aren't here today and a lot of them have not even had  
6 a formal discussion about this. Because of the time  
7 of the year, they've been busy. I had phone calls  
8 today regarding this and I think there is a strong  
9 opinion out there, I think my neighbor said it best,  
10 could we hold up decisions until January on this,  
11 until there is more thought and information that has  
12 been brought forth? I mean, this is a big deal for  
13 the people in this area. There is a lot of tough  
14 questions answered today. He couldn't answer the  
15 question, Can we look at different alternative routes?  
16 You know.

17           I mean, we're in a point in time in this  
18 country where we designed a country years ago with an  
19 interstate highway system. Yet we hodgepodged these  
20 electrical transmission lines kind of on the whims of  
21 the power companies. And I just read an article the  
22 other day and they say that's got to change. You  
23 know, and we found out in the past, this gentleman  
24 that I spent a day with the other day has got 36 years  
25 in the industry. He knows most of it. He says, We

1 made a lot of mistakes. And I appreciate the time  
2 that he did. He didn't understand the route, why they  
3 were taking it.

4           You mentioned that there is a need for it.  
5 The need, is the need that's been explained to you  
6 guys a real need? Or is it a profit motive? There is  
7 a big difference there.

8           **CHAIRMAN HANSON:** Okay. You threw  
9 several things at us there.

10           **DENNIS JONES:** Yeah.

11           **CHAIRMAN HANSON:** State law requires us  
12 to make a decision within 12 months after an  
13 application is filed with us. And so that, that  
14 directs what we have to do. So as far as waiting  
15 for other folks, we are not here to make a  
16 decision today. We are here to just receive  
17 input. And this is a process that will be  
18 ongoing. We will be having hearings, formal  
19 hearings, in addition to the public hearings  
20 here -- the public meetings here. We will have  
21 formal hearings in Pierre, in which the Applicants  
22 will be -- well, they've already presented their  
23 lengthy permit. Excuse me, their lengthy  
24 Application to us.

25           And in order to go through that permitting

1 process, it requires to have that public hearing. So  
2 all those folks that have questions pertaining to it,  
3 they can contact the PUC. They can send us letters.  
4 They can call. They can contact us with e-mails. We  
5 appreciate that information. We, as commissioners,  
6 will not be able to directly converse with them but we  
7 will receive that. It will be made a part of the  
8 record, and when we have our public meetings, they  
9 will be given the opportunity, if they wish, to  
10 present evidence, and you can go through that process  
11 and contact the attorney. Do we have the -- We had  
12 some cards.

13 **AUDIENCE PARTICIPANT:** Karen Cremer.

14 **CHAIRMAN HANSON:** Yes. We had some cards  
15 for her. Are they on the back table? Karen  
16 Cremer. And you can look it up on our website and  
17 contact us.

18 We're very open from the standpoint of being  
19 able to receive information and concerns and go  
20 through the process. So those people, if they feel  
21 that they aren't going to have an opportunity, have  
22 them send a letter, an e-mail with their questions.  
23 We've gathered a lot of very good information, and  
24 this is not the first time we've been on horseback or  
25 whatever here. So we understand -- We, the three of

1 us, have certainly questions that haven't even been  
2 asked and answered here today. And their Application,  
3 yes, it does cite a need; that is a requirement that  
4 they have.

5 So tell those folks to contact us. And they  
6 can contact us on the website, puc.sd.gov, and send  
7 that information.

8 **DENNIS JONES:** The one question I think  
9 is very important, I think, this permit applies to  
10 the route that you're taking today; correct? What  
11 if we find a better route? What if we find a  
12 better route?

13 **CHAIRMAN HANSON:** Well, God bless you, if  
14 you do. I mean, I don't know what you're asking,  
15 what question -- If you do --

16 **DENNIS JONES:** Well, could we get  
17 reconsideration, then, and have them re-permit? I  
18 mean, does this --

19 **CHAIRMAN HANSON:** Okay. Let me explain  
20 one other thing along that line. We, as a  
21 commission, cannot tell them where to put their  
22 line. We can either approve it, not approve it,  
23 or approve it with certain recommendations,  
24 certain conditions. Now, you as landowners in  
25 discussing this with them, we assume and we expect

1 that if you present a good argument to them, that  
2 they will adjust the line. And I frankly in my  
3 11 years in the PUC in seeing pipelines and  
4 transmission lines, etc., sited, I have never seen  
5 a line that was exactly the very same route that  
6 it first started to be anticipated to be. They  
7 make adjustments as they go through it. I expect  
8 that they will do that here.

9           Now, if they don't, I would certainly expect  
10 that I will see folks from this audience here and  
11 other audiences that we have, we will see you  
12 contacting us and telling us that this did not take  
13 place as it should have. And we will -- They need to  
14 accept that, make that change, because those will be  
15 questions that we have and a discourse that we have  
16 with them. And if they don't and we think they  
17 should, then our only opportunity then is just to say,  
18 you don't get the -- you don't get the permit. So  
19 they really have a big hammer over their head to work  
20 with people when it makes sense to make an adjustment  
21 to that line.

22           **DENNIS JONES:** How about a major change  
23 to the line?

24           **CHAIRMAN HANSON:** All I can say is asked  
25 and answered. That's the best answer I can give

1 you.

2           **DENNIS JONES:** The one problem that we  
3 did have when we had a meeting with them earlier,  
4 there was a lot of landowners that made it to that  
5 meeting, and they're going to send us a list of  
6 who was at that meeting. And this is what  
7 divides, this is what concerns me. You've got  
8 out-of-state landowners that say, Hey, I'll take  
9 the check; I don't live there.

10           And that's -- And I'll tell you what. I'll  
11 challenge them right now, but a lot of those  
12 signatures they've got signed are from easy  
13 out-of-state landowners. They never sent us the list  
14 that they said they were going to, as to who was at  
15 this meeting. In other words, do we each stand alone  
16 individually? I mean, they've got all the  
17 information. They know all who we are. But how can  
18 we have some protection that you will mail us who was  
19 at this meeting. So in case we just don't have to  
20 stand alone in the corner of a room and wonder, we've  
21 got an idea here, but we have no way of transcribing  
22 it to everybody else. You didn't do that the first  
23 time, your company that you had hired.

24           You know, we've got more questions that need  
25 to be asked.



1           **CHAIRMAN HANSON:** All right. Thank you  
2 for your question. We've gone through that.  
3 We've plowed that field and we have those  
4 questions down, and we will expect that they will  
5 answer those questions as we go through the  
6 process. The ones that they have not been able to  
7 answer now, they're still coming before us to  
8 answer those questions. We appreciate it. We  
9 have -- I hate to say it, a drop-dead time here.  
10 We really have to end this by 4:00. We've got  
11 35 minutes. So let's not go over items we've gone  
12 over and over and over. Let's get on with the  
13 other questions that we have.

14           Thank you, Mr. Jones. Thank you.

15           Other questions, please.

16           **MAHLON MEIDINGER:** Mahlon Meidinger.  
17 M-E-I-D-I-N-G-E-R. I have been notified that the  
18 property we're affected is in the right-of-way.  
19 One of the concerns that I ask or should have  
20 asked probably a long time ago before the route  
21 was actually definitive was, there was all --  
22 other power lines that I believe Otter Tail and/or  
23 MDU own that are a small-line property, which they  
24 have right-of-way to. And I believe they go to  
25 Big Stone. Why do we need an additional large

1 line, or can we not incorporate an existing  
2 right-of-way that they own and rebuild at this  
3 time, because it's probably about a  
4 25-to-35-year-old line that exists with a two-pole  
5 system.

6 I guess I questioned this from the very  
7 beginning, and I was reluctant to push the issue about  
8 it in the past. I hate to see the scarring, as I look  
9 at it, as I've gotten older, of all of these power  
10 lines that go across our country. And I do agree that  
11 there is not a lot of forethought, only meeting desire  
12 rather than a planned objective to get power where it  
13 needs to be. That's all I have. Thank you.

14 **CHAIRMAN HANSON:** Henry?

15 **HENRY FORD:** Do you want me to respond?

16 **CHAIRMAN HANSON:** Yes. Is it possible  
17 to -- You have an existing line, existing  
18 easement, for a smaller transmission or  
19 distribution line? We don't know which it might  
20 be, but --

21 **HENRY FORD:** Yeah, there wouldn't be in  
22 the case of MDU, but I think there may be an  
23 Otter Tail transmission line or so that could be  
24 in this area. I think there was some talk when we  
25 were doing the routing about maybe looking at some

1 of that. I'm not sure if there was anyone that  
2 recalls why we did not decide to overbuild. Just  
3 not being familiar with your transmission system,  
4 Otter Tail, I'm not sure where that line might  
5 have been or what was the decision process there.  
6 So I would probably have to defer this question to  
7 Otter Tail.

8 **CHAIRMAN HANSON:** Sir, would you get that  
9 location to us, and we will expect them to have  
10 the information for us on that?

11 **MAHLON MEIDINGER:** I know that it's in  
12 proximity to Highway 14. I would say probably  
13 about a three-and-a-half to four-mile from that  
14 area, and it kind of transverses the countryside  
15 going northward, and I believe it is probably an  
16 Otter Tail line. A lot of these are no longer  
17 marked for numerous different reasons. But I am  
18 aware of it because I have a property that's  
19 adjacent to that area, as a small, you know, piece  
20 of land that adjoins that or is adjacent to it. I  
21 don't have, to my knowledge, there is no easement  
22 or anything on that property. But I visually see  
23 it when I have traveled over there and that was my  
24 question. In the first type of books that were  
25 released, they showed this as a small, I think it

1 was a 115 megavolt line, but I'm not exactly  
2 positive of what its size.

3           And the reason why I brought it up is, Okay,  
4 as these progressively get older, there is a time when  
5 they'll have to be removed. That's why, I guess to  
6 me, it makes more sense to go in and utilize a  
7 right-of-way that already exists. You're not going to  
8 put another set of lines through another area. If you  
9 can improve and possibly, you know, build a multiple  
10 line versus having another point of contention where  
11 there has already been a power line that's in  
12 proximity and it can achieve the same goal.

13           **LLOYD BUNTROCK:** Lloyd Buntrock.  
14 B-U-N-T-R-O-C-K. I'm just wondering on this power  
15 line, I'm not clear, coming up here at one meeting  
16 we were told it's 150/60-mile, whatever the route  
17 it is to Ellendale, also that it might be used to  
18 shoot the power back. What would be the purpose  
19 of building a line 160 miles up, and then shooting  
20 the power back another 160 miles. So who's  
21 benefiting from this, who is buying this  
22 electricity? I don't think they're doing a  
23 project on this amount that you don't know who is  
24 going to buy this electricity. So who's really  
25 going to benefit from this?

1           **HENRY FORD:** Power flows on transmission  
2 systems are kind of difficult to, I guess, explain  
3 from the standpoint, it's not the same thing as,  
4 say, a pipeline where you put the product into  
5 this end of the pipeline, and it comes out at that  
6 end of the pipeline. With transmission systems,  
7 there are various, lots of interconnections from  
8 one system to another. When power comes into the  
9 system, it naturally flows to where the load is.  
10 In other words, if there is a load over here  
11 calling for power, and there is generation up in  
12 this area that is generating, there is a good  
13 chance that power is going to flow from generator  
14 to load.

15           The reason there was probably a comment made  
16 that the power could flow the other way is by simply  
17 virtue of a transmission system. If under certain  
18 conditions, and we look a lot at contingency  
19 conditions, well, what happens if the generation up in  
20 North Dakota, for example, goes down? And we have  
21 load up there now and we've got these wind farm  
22 projects or the nuclear plant in Minnesota or whatever  
23 the case may be that has excess generation, that power  
24 flow is going to go to that load again.

25           So there will be situations, depending on

1 what's going on on the system as a whole, what  
2 generation is on line, what generation is off line,  
3 what are the relative loads scattered throughout the  
4 system. Those are the things that really determine  
5 how the power is flowing on this transmission line,  
6 what direction it's flowing, what amount is flowing.

7           You can have a generator at point A and a  
8 load at point B, and say, I'm buying 100 megawatts off  
9 of this generator. You can't guarantee that that line  
10 or that energy is going to be delivered across one  
11 particular transmission line, because it's going to  
12 follow the network. It's going to go -- Electricity  
13 follows the path of least resistance, and that's  
14 what's going to happen in the network.

15           So it's a very difficult thing and guys like  
16 Jason, who stood up earlier, that's kind of -- or at  
17 least used to be his whole job was doing these models  
18 of the power system and trying to determine how power  
19 is going to flow throughout that network under certain  
20 conditions.

21           So really the best explanation is still that  
22 this particular line is such that it has a large  
23 capacity between these two points, and ultimately what  
24 that does is that becomes the path of least  
25 resistance. And so power is going to have a tendency

1 to want to flow on this bigger, high-powered line than  
2 it is on some of the smaller transmission network  
3 system out there.

4 But necessarily, you can't say, you know,  
5 there is a hundred megawatts on this line today, 50 of  
6 it's going to customer A, 25 to customer B. It's not  
7 that simple.

8 **LLOYD BUNTROCK:** You must know where it's  
9 going or why would you be building it? You're not  
10 building it -- You're going to be sending it some  
11 place to get money from it. You're doing it for  
12 profit? And the reason I get the question is, I  
13 understand and I hope I don't upset anybody if  
14 they're from Minnesota, but that they want the  
15 electricity, but they don't want it from  
16 Big Stone, because it's built -- because it's  
17 energized with coal. So then you're going to send  
18 it up here, and then send some wind power maybe  
19 back and tell them it's coming from wind power,  
20 which they wouldn't know the difference, whether  
21 it was -- turned right around and went back. It  
22 don't make sense to me, when Big Stone is there,  
23 it's a lot quicker to build a line right to where  
24 whoever wants it.

25 The environmentalists has got so much power

1 and that's what you keep talking, you can't do this,  
2 you can't do that, because of the rules and  
3 regulations. But really us, as farmers, you know, in  
4 all honesty, you can walk all over us. There is not a  
5 thing we can do about it. Yes, we can talk to you and  
6 you might adjust it a foot or two. But if you want to  
7 come across our land, there is no way we can really  
8 stop you. Isn't that true?

9           **HENRY FORD:** If we have the right of  
10 eminent domain, that is true.

11           **LLOYD BUNTROCK:** I don't think that's  
12 right.

13           **AUDIENCE PARTICIPANT:** And a permit.

14           **CHAIRMAN HANSON:** And a permit.

15           (LAUGHTER.)

16           **HENRY FORD:** I wasn't making any  
17 assumptions.

18           **LLOYD BUNTROCK:** But you can really get  
19 that from us, because even if I don't sign that  
20 ever, you can come and condemn my ground and put  
21 the poles on it.

22           **HENRY FORD:** If we had a permit, we could  
23 do that.

24           **LLOYD BUNTROCK:** That's what seems so  
25 unfair, you know, that there is railroad -- You



1 don't want to fight with the railroad. I kind of  
2 get that intention. Because it's going to be hard  
3 to get the approval, with the county, with the  
4 state right-of-way, Game, Fish, and Parks. Now,  
5 if I could see that there was a need for  
6 electricity, you know, desperate or they're up  
7 there without electricity or whatever, but you're  
8 not telling me, Where is this going? And then you  
9 want me to sign an agreement that it's okay to  
10 come on my ground, and, yet, there is a lot of  
11 questions that really aren't answered, that you  
12 don't have the answers to, really. Not even what  
13 type of poles.

14           And at the one meeting, there was going to be  
15 no guy wires. Now I understood you that there is a  
16 possibility that there could be guy wires. And we  
17 were told at one meeting that there would be  
18 absolutely no guy wires. So, I mean, it's a little  
19 hard to sign something when you don't know what you're  
20 really signing. Or where it's really at for sure, you  
21 know.

22           **HENRY FORD:** Yeah. Well, and that's kind  
23 of the virtue of the option. The option is really  
24 just a way of getting, I guess, an agreement to  
25 the sense that you're not objecting to the power

1 line crossing your property. Now, when you get to  
2 the easement, then the easement works out all  
3 those kind of details that you have talked about.  
4 The easement is when it will be stipulated exactly  
5 where poles go, if there is anchors or not  
6 anchors. Any of those kind of details.

7 **LLOYD BUNTROCK:** What if you don't get  
8 any of them? Just, we don't sign, then what?  
9 When you get to the point of coming to the  
10 easement, what happens then?

11 **HENRY FORD:** If you sign the option and  
12 then you don't want to sign the easement?

13 **LLOYD BUNTROCK:** No, if we don't sign the  
14 option. Can you just come with the easement then?

15 **HENRY FORD:** Oh, yes. Yes. We could  
16 have come with the easement -- or let me put it  
17 this way. We could have delayed talking to  
18 anybody for options until we had the line all  
19 designed and came out strictly looking for  
20 easements. The only reason we were -- we agreed  
21 to do options, as far as the partners are  
22 concerned here, is because we wanted to get out  
23 there and talk to individual landowners and try to  
24 determine if we had enough support for the  
25 particular center line that we're working towards

1 here.

2           So that's why we're also, I think, at this  
3 point, a lot more flexible about where that center  
4 line is going to be. And that's why I'm saying we're  
5 willing to and trying to work with landowners to  
6 adjust that center line as much as we can, as much as  
7 we think that we can fit within the project. So that  
8 when we come with the easement, then the easement  
9 really does cover what you're willing to agree to.

10           **LLOYD BUNTROCK:** Well, another thing to  
11 me, you kind of put the cart ahead of the horse.  
12 Why wouldn't you check with us landowners and kind  
13 of get the view of everybody along the line where  
14 you're thinking of proposing before to see what  
15 type of opposition, just to save all this type of  
16 hassle?

17           **HENRY FORD:** Well, and that was the  
18 reason or that was what we were trying to do when  
19 we had our public meetings. You know, we had our  
20 two sets of public meetings. And the purpose of  
21 those meetings was simply to get together us as  
22 project owners and you as landowners to talk about  
23 here is where the project is, possibly going to go  
24 or potentially going to go. You know, what are  
25 your thoughts? What are your comments?

1           Like I mentioned earlier, one of the things  
2 we did gather from all of those meetings, it came  
3 across very loud and clear, that the monopole or a  
4 single-pole structure is much preferred over something  
5 like an H-frame structure. So even though the  
6 monopole are more expensive, we felt that that was a  
7 good investment to make in trying to continue to move  
8 forward with the landowners.

9           So we had those public meetings. We invited  
10 everybody that we could find to those meetings and we,  
11 you know, we listened to all those comments. We noted  
12 all those comments, and we tried to incorporate those  
13 comments into our design and ultimately into our route  
14 selection.

15           **LLOYD BUNTROCK:** Okay. Well, just one  
16 comment. See, I never got notified. It's coming  
17 on my ground, and I never got notification of the  
18 first two meetings whatsoever. And like in the  
19 case where someone has passed away, I can see  
20 where a mistake could be made, but --

21           **HENRY FORD:** Yeah.

22           **LLOYD BUNTROCK:** So I didn't have any --  
23 All of a sudden it was a third meeting, or it was  
24 practically through before I even knew about it.

25           **CHAIRMAN HANSON:** Okay. Do they have

1 your name now, sir?

2 **LLOYD BUNTROCK:** Yeah, I signed it at  
3 that last, down there at Dennis Jones' deal.  
4 Yeah, I've been getting them now, but --

5 **BOB PESALL:** Bob Pesall again. I have a  
6 follow-up question from a discussion earlier. You  
7 had conceded when I first spoke that independent  
8 producers would have the opportunity to use this  
9 line in addition to the two major utilities that  
10 are behind developing it. My question then is,  
11 assuming the landowner is considering taking  
12 advantage of that, would they have information  
13 available to them as to the rates that you would  
14 be charging for access to that line so that they  
15 can determine whether and where to put their own  
16 generating capacity, in order to negotiate with  
17 you exactly where the line runs across the back  
18 40?

19 **HENRY FORD:** Yes, they do have access to  
20 all of that rate information. In fact, the way it  
21 is done, the interconnection to this particular  
22 line is handled through the MISO interconnection  
23 process. So this is all governed by MISO tariff.  
24 This is not governed by an MDU or an Otter Tail  
25 tariff. So there is a process laid out there.

1 You can go out to their website. They have all of  
2 the information necessary for anyone to look at to  
3 determine how they would go about requesting  
4 permission to interconnect on this transmission  
5 line or any transmission line.

6 **CHAIRMAN HANSON:** Since there is a little  
7 bit -- Oop, we'll do this one question, and then  
8 Commissioner Fiegen has some questions that she  
9 would like to ask and that might prompt some other  
10 ones.

11 **DAVE NILSSON:** This is Dave Nilsson  
12 again. You said it was an 85-year, was a  
13 long-term of what you thought this was going to  
14 exist, and then you're going to set the easements  
15 up just for 85 years and then you're done with the  
16 easements. Is that what you're doing?

17 **HENRY FORD:** I think the form that we're  
18 using is a perpetual easement. That's what's  
19 allowed in South Dakota.

20 **DAVE NILSSON:** Can we get that changed so  
21 it's only 85 or a hundred years so the grandkids,  
22 the great-grandkids and heirs down the line have  
23 an opportunity to resell this again somewhere down  
24 the line?

25 **HENRY FORD:** I wouldn't say no. I think

1 that that would definitely be something we would  
2 be willing to talk about. You know, for example,  
3 in North Dakota, they have by statute a  
4 requirement that the easements are only good for  
5 99 years. So, you know, perpetual easements  
6 aren't available everywhere anymore.

7 **DAVE NILSSON:** My next question is,  
8 you're talking about going through wind towers and  
9 hooking wind towers up to this. You're going  
10 through Brown County, Cambria, Groton, all those  
11 townships down there, we're in the bottom of those  
12 flatlands. No way in the world they're going to  
13 put wind towers up down through there, but yet  
14 you're still cutting right through the middle of  
15 it. Why wasn't the proposal set up if you're  
16 going to do wind towers to this, set it alongside  
17 a place where the wind towers would be put?

18 **HENRY FORD:** Well, as I said earlier, I  
19 personally don't expect a lot of these wind farm  
20 projects to interconnect at this 345 kV  
21 transmission line, because the cost of  
22 interconnecting on this line is much higher than  
23 if you can connect on a 230 kV line, which is a  
24 lower voltage or a 115. Those answers come out of  
25 the MISO studies when someone makes application

1 for a wind farm interconnection. But this line is  
2 going to ultimately allow for, I guess I would  
3 have to say, increase the capacity of the  
4 transmission system in this area in such a way  
5 that it will allow additional wind farm  
6 interconnections, whether it be on this line or  
7 whether it be on a 230 or 115 line in the area.

8 **COMMISSIONER FIEGEN:** Although this isn't  
9 a day the commissioners, the three of us are  
10 asking all our questions, I did want to follow up  
11 with the home question just so that they would  
12 hear it. It looks like on page 54, I think, you  
13 have all the list of the 21 homes that are  
14 occupied, and I believe the six that are vacated.  
15 Do you work with all 21 of these homes?

16 **HENRY FORD:** Work with in the sense of  
17 talking to those landowners?

18 **COMMISSIONER FIEGEN:** Yeah, these 21  
19 homes that are listed, do you meet with all these  
20 homeowners that you're within 500 feet?

21 **HENRY FORD:** Probably if they are a  
22 landowner that we need an easement from.

23 **COMMISSIONER FIEGEN:** So if they're not a  
24 landowner, you don't visit with them?

25 **HENRY FORD:** I don't believe so.



1           **COMMISSIONER FIEGEN:** I know we will all  
2 have a lot of questions this summer. I assume  
3 Brian Rounds will probably bring this docket to us  
4 in the summer of 2014, because we have to hear it,  
5 like Commissioner Hanson said, by August it has to  
6 be done.

7           A couple things I want you to know.  
8 Brian Rounds is the lead person. He hasn't said  
9 anything today, but I know you're welcome to call him,  
10 I think, and Karen and Darren. And even like he sent  
11 us the list of all the landowners, which Commissioner  
12 Hanson has right on his phone. But you guys have  
13 already put it up on the website. We get to see it  
14 just as soon as you do. So what's so interesting  
15 about being a commissioner is I can't ask Brian Rounds  
16 any questions except right here at a hearing. But  
17 they send us stuff that is open to the public. So the  
18 commissioners see it just as fast as you do, and he  
19 does have a service list of all the landowners,  
20 correct, Brian, because I looked at it?

21           **BRIAN ROUNDS:** We do, yes.

22           **COMMISSIONER NELSON:** On the website.

23           **COMMISSIONER FIEGEN:** On the website.

24 And that's it. I just wanted to thank you guys  
25 for coming, and I know you won't get to ask us any

1 questions after the hearing, but Mr. Brian Rounds  
2 is around here.

3 (LAUGHTER.)

4 **COMMISSIONER NELSON:** I have just one  
5 question at this point. And, frankly, I was  
6 surprised that we didn't get more questions today  
7 about land restoration. In your initial  
8 presentation today you said, and I quote, that you  
9 will use the, quote, best effort we can, unquote,  
10 on restoration. And really wet years and really  
11 dry years, best efforts can amount to a very poor  
12 product. What is the standard for restoration of  
13 especially grassland? Is it simply best effort?  
14 Or is there some higher standard than that that  
15 you're going to guarantee?

16 **HENRY FORD:** Brian, do you know that?

17 **BRIAN HUNKER:** Again, I'm Brian Hunker  
18 with HDR Engineering. We're going to restore land  
19 to the MPDS permit. And typically that's  
20 70 percent revegetation. If it's a really wet  
21 year, a really dry year, we may need to come out  
22 the following year to take a look at it, do some  
23 reseeding. The initial restoration effort is  
24 going to be to restore the land to the or -- yeah,  
25 restore the land to the pre-construction contours

1 and then do reseeding with it.

2 **COMMISSIONER NELSON:** Thank you.

3 **BRIAN HUNKER:** Sure. Can I address one  
4 more question too?

5 **CHAIRMAN HANSON:** Absolutely.

6 **BRIAN HUNKER:** This is in regards to the  
7 railways. I know there is a lot of questions  
8 regarding routing along railways. One of our main  
9 constraints with routing along the railways is  
10 that there is a lot of towns that are adjacent and  
11 within that the railway passes through. So it's  
12 very difficult to put a transmission line directly  
13 along that railway and go through those cities or  
14 those towns. In addition, the Waubay area is  
15 experiencing very high lake levels and putting a  
16 transmission line along the railway that is  
17 through that Waubay area creates a lot of  
18 engineering constraints as far as the foundations  
19 go.

20 **DARRIN ERDMANN:** Before you sit down,  
21 this is Darrin Erdmann again. So you're going to  
22 restore the top contours to the ground or we're  
23 just going to leave the compaction, or what answer  
24 are we going to with? He's given one and you've  
25 given one and you're the engineer.

1           **BRIAN HUNKER:** Actually, I'm not an  
2 engineer. I'm an environmental scientist, but we  
3 are going to restore to the pre-construction  
4 contours. If there is compaction, I'm sure  
5 they'll go in there and deep rip it and alleviate  
6 that compaction.

7           **DARRIN ERDMANN:** The next question I have  
8 is, did we just get the answer from you why the  
9 route along highway, the highway in North Dakota  
10 going straight west wasn't considered? Because  
11 South Dakota allows for unlimited, for perpetual  
12 contracts -- or easements and North Dakota  
13 doesn't? That was not considered?

14           **HENRY FORD:** No. That had no bearing  
15 whatsoever.

16           **LELAND STAUCH:** I have one question yet  
17 here to ask you. Should these power poles ever be  
18 declared obsolete, who will pay for the cost of  
19 removing these posts whether 75 years from now or  
20 a hundred years from now? Is the landowner going  
21 to be stuck with those poles setting there should  
22 they become obsolete?

23           **HENRY FORD:** Any transmission lines that  
24 we've ever deconditioned and determined no longer  
25 needed, the utility company will remove that line.

1 Actually, you know, a line like this, there could  
2 be some pretty significant steel recycling value  
3 here in copper -- not copper but aluminum  
4 recycling values. So we're not going to just  
5 abandon the line and leave it in place. We can  
6 take that line down and recycle those materials  
7 and get some real money for that.

8 **AUDIENCE PARTICIPANT:** Does that include  
9 the --

10 **HENRY FORD:** The what?

11 **CHAIRMAN HANSON:** Excuse me. Let's  
12 always be on record.

13 **AUDIENCE PARTICIPANT:** Okay.

14 **CHAIRMAN HANSON:** Sir, I forgot your  
15 name.

16 **LELAND STAUCH:** Leland Stauch.

17 **CHAIRMAN HANSON:** Leland, thank you very  
18 much. We have a gentleman with the mike over  
19 here.

20 **LYLE PODOLL:** Lyle Podoll again. I just  
21 wanted to follow up on Kristie's comment. Henry  
22 and Terry are going to come to our area and look  
23 at it. With Joel not being a landowner, how does  
24 that affect his rights with the PUC? Does he  
25 still have any rights with the PUC, even if they

1 decided they didn't want to help him, just because  
2 he's not a landowner where the line is going to  
3 go?

4           **CHAIRMAN HANSON:** That's a curious  
5 question. We will entertain any information that  
6 we receive from the public. It's up to us to ask  
7 questions, but we also expect it of the Applicant  
8 to answer those questions. The best thing they  
9 can do is to answer the questions. There has been  
10 a lot more questions here today than answers, and  
11 certainly those need to be answered because  
12 that -- there is a gravity to that that causes us  
13 to shy away from providing a permit.

14           And if a person does not own land, they still  
15 have a legitimate, as I pointed out when I was first  
16 discussing it, that anyone who has any interest --  
17 Basically, when I went through that list of all of the  
18 parties that could have an interest in this, basically  
19 says anyone, because if there is an environmental  
20 impact, if there is a bird impact, an avian impact of  
21 some sort that people are concerned with, they have a  
22 legitimate right to ask those questions.

23           **LYLE PODOLL:** Thank you. That's all I  
24 wanted to know. I would like to comment on Brian,  
25 this thing about the railroad and the map. If you

1 look at that from Sisseton to Milbank, there is  
2 three small towns there, according to one of the  
3 maps. One of the towns is on the edge of it. But  
4 if you look at the number of corners from  
5 Ellendale to Big Stone, I counted them or tried to  
6 count them one time, I don't know if there was 43  
7 or how many corners there are, but if it took two  
8 corners to get around three or four communities, I  
9 mean, that's -- the small towns does not --  
10 Westport has this BEP line just a quarter mile out  
11 of town. It's been there for 30, 40 years. So  
12 skirting around town should not be an issue not to  
13 consider it. And just as a point of interest, my  
14 neighbor went there, lives just a couple hundred  
15 yards, has all his life on that BEP line. He had  
16 cancer too.

17 **KIM MEIDINGER:** My name is Kim Meidinger.  
18 I just want to have something restated that I  
19 heard at the February meeting in Ellendale. I  
20 think the comment was made that you were going to  
21 try to have the center line at least 500 feet from  
22 a home that was occupied, that was your goal, but  
23 also the comment was made that in the State of  
24 North Dakota, that that was the law they had to be  
25 500-miles or 500 yards -- or 500 feet away from

1 the center line. I just wanted that to be stated.

2 **HENRY FORD:** Yes, that is correct.

3 North Dakota has that in their siting rules. So  
4 that it's considered an avoidance area, so we, we  
5 don't absolutely have to stay 500 feet away. We  
6 can be closer than 500 feet, if the landowner  
7 grants a variance or a waiver, it's called, in  
8 North Dakota. South Dakota does not have any  
9 requirement in their siting rules.

10 **JERALD PESALL:** Hi, my name is  
11 Jerald Pesall. P-E-S-A-L-L. I have one question  
12 about the compensation for crop damage. You say  
13 we'll get reimbursed. If you have Federal Crop  
14 Insurance, you have to have the bushels to get the  
15 credit. So if you have a loss down the road a  
16 ways, bushels that you're going to lose because of  
17 your power line going across my land, I won't get  
18 credit for, and then you have the ten-year history  
19 of the federal crop. So you're going to pay me  
20 county average? Who farms here with county  
21 average anymore?

22 **HENRY FORD:** Okay. I'm not sure I follow  
23 the question.

24 **JERALD PESALL:** If you're not in a farmer  
25 in the crop insurance, you don't know what I'm



1 talking about.

2           **HENRY FORD:** Right.

3           **JERALD PESALL:** If you destroy a bushel  
4 on my farm, I cannot get credit for history on the  
5 crop insurance. You go out there and go across my  
6 land, when the crop is just about ready to harvest  
7 and destroy it all, say you destroy 300, 400  
8 bushel off of a hundred-acre field, that's  
9 three-bushel reduction on my crop insurance yields  
10 which I get paid for if I have a crop loss in the  
11 future.

12           **HENRY FORD:** Okay.

13           **JERALD PESALL:** Are you going to  
14 reinstate my crop yield when you destroy it? I  
15 don't think you are, because you can't. You  
16 you've got to have the bushels to prove that I had  
17 that loss, and you're going to push them in the  
18 ground.

19           **HENRY FORD:** Okay. Yeah. I'm still not  
20 real clear, but how we do it --

21           **JERALD PESALL:** Crop insurance agent, and  
22 he'll explain it to you.

23           **HENRY FORD:** How we'll do this is and it  
24 somewhat depends on the time of the year. But if  
25 we were crossing your field with equipment, and

1 like you say, your crop was ready to be harvested,  
2 the damages would be the acreage that was  
3 impacted. And then when you combine the rest of  
4 the crop, we take the yield you got off the rest  
5 of that crop and apply that to the damaged area.

6 **JERALD PESALL:** You've got to sell the  
7 bushels to prove your yield, and I'm not selling  
8 them. I'm just getting paid for them so we don't  
9 know definitely what I'm going to be losing.

10 **AUDIENCE PARTICIPANT:** How about we send  
11 you a bill?

12 (LAUGHTER.)

13 **CHAIRMAN HANSON:** Will with that, note --

14 (LAUGHTER.)

15 **CHAIRMAN HANSON:** -- we are at the  
16 witching hour, and we very, very much appreciate  
17 all the input that we received. I don't know that  
18 the Applicant appreciates all the input that they  
19 received, but at the same time, that's the purpose  
20 of these types of meetings.

21 Ladies and gentlemen, we're on our way to  
22 Milbank, and if you want to caravan over there and  
23 continue this, you certainly may. We're not going to  
24 set a record tonight. Our record is seven hours up in  
25 Britton. We thought you folks might like to know

1 that. So we can go longer than four hours, but I  
2 think we have a real good idea of input and concerns  
3 at this juncture. What we would like, though, is, in  
4 fact, not that we're masticates, but we would like to  
5 have all of your continued input, information. If you  
6 have new thoughts, whatever, please contact us at  
7 South Dakota PUC, send the e-mails and letters to us,  
8 and certainly be in contact and discussion with the  
9 Applicant. So thank you very, very much for your  
10 attendance this evening -- this afternoon.

11 **(HEARING CONCLUDED AT 4:00 P.M.)**

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1 STATE OF SOUTH DAKOTA     )  
   :SS                CERTIFICATE  
 2 COUNTY OF CODINGTON     )

3                BE IT KNOWN that the foregoing record was  
 4 stenographically reported by me, NANCY McCLANAHAN, a  
 5 court reporter; and that the foregoing 2 - 163 pages  
 6 are a true and correct transcript of all the  
 7 proceedings had upon the taking of said proceeding,  
 8 all done to the best of my skill and ability.

9                DATED at Watertown, South Dakota,  
 10 Codington County, on this \_\_\_\_\_ day of \_\_\_\_\_,  
 11 \_\_\_\_\_.

\_\_\_\_\_  
 Nancy McClanahan, RPR/RMR/NP

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**EXHIBITS:**

**MARKED**

1	BSSE Public Hearing PowerPoint, hard copy, October 2013	2
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**EXHIBITS**

**EXHIBIT NO.**

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1.	BSSE Public Hearing PowerPoint hard copy, October 2013	9	10
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