

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PUBLIC INFORMATION MEETING - BEMIDJI
AUGUST 14, 2008 - 2:00 p.m.

STATE OF MINNESOTA
OFFICE OF ENERGY SECURITY

In the Matter of a Route Permit Application and
Certificate of Need Application for the
Bemidji - Grand Rapids 230 Kilovolt Transmission Line

PUC DOCKET NOs: TL-07-1327
CN-07-1222

Hampton Inn & Suites
1019 Paul Bunyan Drive South
Bemidji, Minnesota 56601

Met, pursuant to Notice, at 2:00 in the
afternoon on August 14, 2008.

COURT REPORTER: Christine Munson

I N D E X

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

WITNESS	PAGE
Suzanne Steinhauer	3
John Graves	10
Barbara Britton	13
Jim Haack	19
Marge Spies	23
Paula Tunseth	24
Ron Eischens	25
Jim Haack	26
Harold Fenske	28
Barbara Anderson	28
Al Nohner	30
Becky Hanson	33
Jim Haack	34
Ron Eischens	35
Bob Krava	36
Becky Hanson	37
Marge Spies	38
Harold Fenske	41
Jim Haack	42
Barbara Anderson	47
Deborah Pile	48

1 MS. STEINHAUER: Hello. Good afternoon.
2 Welcome. I really appreciate you coming out. This
3 is the public information and scoping meeting for
4 the proposed Bemidji-Grand Rapids, 230,000 volt
5 transmission project.

6 My name is Suzanne Steinhauer. I'm with
7 the Minnesota Department of Commerce, Office of
8 Energy Security. There's a couple of other folks
9 from my office with me, I think they're still
10 manning the sign-in sheets outside. Ray Kirsch, who
11 is the public advisor for the project, and Deborah
12 Pile, who is the supervisor for our unit, the Energy
13 Facilities Permitting Unit.

14 There are also representatives from the
15 project applicants with us. And Barbara Britton,
16 who is from the U.S. -- U.S. Department of
17 Agriculture, Rural Utilities Service, and she'll be
18 presenting some information on the federal
19 environmental review for the project.

20 We'll start out with some -- just an
21 overview of the Minnesota project, and then the
22 applicants will provide a brief overview of the
23 proposed project, and Barbara will, sort of, briefly
24 overview the federal process.

25 And at that point, after those

1 presentations are done, we'll open it up for
2 comments and -- comments and questions.

3 The Minnesota Public Utilities Commission
4 is a five-member Commission. They're appointed by
5 the governor, it's a mixture of parties. And they
6 permit large energy facilities in the state. They
7 permit large wind farms, pipelines, power plants,
8 and then, in this case, high voltage transmission
9 lines.

10 The permitting takes -- it's a two-step
11 process. The first is the determination of need,
12 which looks at the size of the project, the type,
13 and the timing. And then, secondly, they issue a
14 route permit for transmission lines.

15 The route permit defines where the --
16 where the project will go and any applicable permit
17 conditions that would be designed to minimize the
18 impact of the project, if permitted.

19 For the -- for the Public Utilities
20 Commission to make their decision, they have to
21 balance a number of different criteria that are
22 outlined in Minnesota statutes. They try to balance
23 the conservation of resources, they minimize
24 environmental impacts, minimize conflicts with human
25 settlement and land uses, and ensure the state's

1 electric security through efficient, cost-effective
2 power supply and electric transmission
3 infrastructure.

4 They do this through a process, which is
5 outlined in this flow chart and also on the pink
6 sheet, if you picked one up outside. The process
7 starts here, at the top, when the applicants submit
8 their Certificate of Need application and a Route
9 Permit application. In this case, they've submitted
10 both of those, and the Commission accepted those
11 applications at the end of June.

12 Then, we're at this yellow set of boxes
13 here in the middle, the public scoping meetings and
14 comment period. That's when we go out to the
15 public, and we ask for -- we provide information to
16 you on the process and on the project.

17 And we also ask you to identify issues
18 that you would like us to look at. The intent there
19 is to the -- to do the best that we can to define
20 the issues that are important to people. We can
21 give the Commission a better set of information and
22 make the best possible decision.

23 So, we ask for information on what the
24 concerns you have and the issues you'd like to see
25 studied. We also ask you for information on route

1 alternatives, so is there, perhaps, another way to
2 get from point A to point B. So not -- it could be
3 an entirely different route, or it could be a
4 particular segment that would avoid some resource
5 or -- or area.

6 The comments are -- the scoping comment
7 period closes August 29. So, we need to receive the
8 comments from you by then. Then we get into -- we
9 take that information and sift through it and
10 determine what we're going to study in the
11 environmental review document, in this case, an
12 Environmental Impact Statement, that will look at --
13 identify the alternatives and the issues that we
14 study.

15 After that decision's been made, we'll
16 take several months and develop a Draft
17 Environmental Impact Statement. We'll be out here,
18 again, my best guess would probably be next spring.
19 At that point, we'll know which routes are on the
20 table, which routes have been studied, and we'll
21 have done some evaluation of the potential impacts.

22 We'll be asking, again, for comments
23 and -- comments on the routes and on the impacts.
24 There'll be public meetings and, also, public
25 hearings. The hearing will be presided over by an

1 administrative law judge, and there will be
2 testimony and comments received, based on the
3 information that's received.

4 There'll be a Final EIS developed. That
5 will, in addition to the Draft EIS, list the
6 comments and provide our responses to those
7 comments. All that information, then, will go to an
8 administrative law judge who's presiding over the
9 hearings. He or she will then make a report, which
10 will identify a recommended route from the PUC -- a
11 recommended route and any applicable permit
12 conditions.

13 In the environmental review process, we
14 also receive input from other state agencies that
15 have permitting -- permitting or approval
16 responsibilities for the proposed project. In this
17 instance, the -- this project needs review both for
18 the need and for the route. It also requires,
19 because one of the applicants is requesting federal
20 funding, it also requires review under the National
21 Environmental Policy Act. So, it requires a federal
22 level of environmental review, and Barbara will talk
23 about that a little bit more.

24 Because all these different sorts of
25 environmental review are required, what we're trying

1 to do here is combine the processes. The intent
2 here is that we will have a joint environmental
3 review document up until this Final EIS. At that
4 point, each agency will make their own decision.

5 For the -- for the state of Minnesota,
6 it's a route permit. First of all, deciding, can
7 the project be permitted and where it will go and
8 what conditions will be placed upon it.

9 I think we kind of went over this here.
10 And then what's in an EIS? There's a -- a green
11 sheet, I believe, that -- that goes into a little
12 bit more detail, but at a very high level. These
13 are the issues that we typically cover in an EIS.

14 We'll look at human settlement impacts.
15 Would -- would a route being considered require
16 removal of any homes or businesses? What might be
17 the potential impacts to property values? Would it
18 reduce the use of -- of -- of a great number of land
19 parcels? Are there health effects?

20 We'll also look at the impacts to the
21 natural environment, stream crossings, wetlands,
22 threatened or endangered species. We'll look at the
23 potential impacts to economic resources, such as
24 logging, agriculture, forestry, tourism.

25 And then we'll look at alternatives to

1 the proposed project. We'll look at a no-build
2 alternative. What -- what would it look like, and
3 what would the impacts be if the project were not
4 built? Are there different solutions to getting to
5 this identified need? Could -- could the need be
6 addressed through generation or conservation, for
7 example. And then, as I mentioned earlier, we may
8 look at alternate routes.

9 What we'd like to get from you -- what --
10 we like to try to answer the questions to the extent
11 that we can. What we'd like to get from you is more
12 information and what we should be looking at for
13 this project. That's -- that's going to vary by
14 project. For instance, forestry here is probably --
15 is a much greater impact than some of the lines down
16 in southwestern Minnesota.

17 There's a number of different ways to get
18 your comments to us. You can get them to us orally
19 at this meeting. We do have a court reporter and
20 she'll be taking -- she's taking a transcript. We
21 also, once we move into the scoping period, we'll be
22 having somebody write down your comments.

23 You can submit them to us in writing.
24 You can -- there are comment sheets, or if you have
25 prepared comments, you can turn them in to us at

1 this meeting. You can mail them to us, e-mail, or
2 fax them. My contact information is on the comment
3 sheets that are provided outside. There's also my
4 business card, and it's on the last slide here.

5 The main thing is, we need to receive
6 them by 4:00 on Friday, August 29. So, that's --
7 that's when the comment period closes. Even if you
8 have comments here tonight and you think of
9 something later, just make sure to send them to us.
10 Not everybody thinks real quickly on the spot, or
11 perhaps as you're talking to your neighbors there
12 are other issues that come up. So we would
13 appreciate receiving those comments.

14 There are -- the Public Utilities
15 Commission, Department of Commerce, maintain
16 websites for the full record, everything that's in
17 the public record so far. And there's -- they're
18 located there. And, again, my contact information,
19 excuse me, and, also, Ray Kirsch's information, you
20 can contact us with questions you have.

21 And I'll turn it over to the applicants
22 now, John Graves.

23 MR. GRAVES: Good afternoon. I'm John
24 Graves, with Minnkota Power Cooperative out of Grand
25 Forks, and Minnkota is one of the proponents of this

1 particular project, along with Otter Tail Power
2 Company from Fergus Falls, and Minnesota Power from
3 Duluth, Minnesota.

4 And I'm going to give you a very brief
5 history, if you will, as to what brought us to this
6 point, and why we have -- we are proposing this
7 project.

8 In, I believe, it was the year 2003, in
9 the state of Ohio, there was a major blackout, which
10 not only affected Ohio, but it did spread into other
11 states. As a result of that incident, if you will,
12 which was a very major incident, the states and
13 utilities around the nation began to look at the
14 electrical system with the question, can this happen
15 here? And how do we prevent something like this
16 from happening here?

17 In the state of Minnesota and the
18 surrounding area, 11 electric utilities got together
19 and looked at the system and determined that there
20 did need to be improvements in the electrical
21 system. And studies were done, and they came up
22 with four projects as being very high priority
23 projects.

24 And the fact that Wilton, rather the
25 Bemidji area, was at risk for brownouts and

1 blackouts in the year 2012 became apparent. And so,
2 that became, actually, the highest priority project
3 of those four projects. That particular
4 organization was called CapX, standing for Capacity
5 Expansion. So, based upon that, the utilities did
6 studies as to -- how to solve this particular
7 problem that could occur in the year 2012 and
8 beyond.

9 They started out and they roughly looked
10 at 30 probable solutions, then it went down to 11,
11 and then, subsequently, it was narrowed down to the
12 fact that the best solution was, in fact, to put a
13 transmission line in here.

14 Transmission lines are not something that
15 utilities necessarily like to do. We do the easy
16 things first to solve the problems, but, eventually,
17 in some cases, that is really the only remaining
18 solution that you may be left with, and that's where
19 we are today.

20 In the year 2006, the three utilities,
21 Minnkota, Otter Tail, and Minnesota Power, got
22 together, started looking at this problem and how to
23 solve it. As a result, they filed several documents
24 with state and federal agencies.

25 With the Rural Utilities Services, they

1 filed an Alternatives Evaluation Study and a
2 Macro-Corridor Study. They've also filed a
3 Certificate of Need and a Route Permit Application
4 with the state of Minnesota.

5 And that Route Permit Application is why
6 we're here today, along with the federal process to
7 look at the NEPA aspects of this particular project,
8 and that's why both the state and the federal
9 government are looking for your input on this
10 particular project. And, obviously, the
11 applicants -- we would like your input, because we
12 want to make this the best project that we can to
13 solve the solution, which is really a reliability
14 problem that exists in an area, roughly, 50 miles in
15 radius around Bemidji.

16 MS. STEINHAEUER: Thank you. I'll hand
17 this over to Barbara now.

18 MS. BRITTON: Good afternoon, everyone.
19 I want to thank all of you for taking the time to
20 come and visit with us this afternoon about the
21 proposed project, and I wanted to give you an
22 overview of the federal process for the
23 environmental review that we're currently conducting
24 for this project.

25 The Rural Utilities Service is a federal

1 financing agency within the U.S. Department of
2 Agriculture. We finance water, wastewater,
3 electric, and telecommunications projects. And --
4 you can't hear? Did it go off? Can you hear me
5 now? I think the battery went dead.

6 We've been around since the New Deal Era
7 and we finance water, telecommunications, and
8 electricity projects in rural areas. Before we can
9 actually finance a project, we must conduct an
10 environmental review under the National
11 Environmental Policy Act.

12 For this particular review, any federal
13 agency that determines that a proposed project is a
14 major federal undertaking, must do this kind of
15 environmental review for the project. In this
16 particular project, RUS is the lead agency, although
17 there are a number of other cooperating agencies
18 with the project.

19 We can -- as lead agency, we will conduct
20 the environmental review according to RUS's NEPA
21 regulations, that you can find in 7 CFR Part 1794.
22 The inter-agencies participating in this project
23 includes the Leech Lake Band of Ojibwe, because much
24 of this -- the proposed alternatives will cross the
25 Leech Lake Band Reservation.

1 The U.S. Army Corps of Engineers is
2 involved because the -- depending on the route, the
3 project might require a Section 10 permit or Section
4 404 permit to cross natural waters and to address
5 wetland concerns. The Bureau of Indian Affairs --
6 oh, thank you. Is it on? Thanks.

7 The Bureau Indian Affairs is involved
8 because there's a potential for the proposed project
9 to cross Indian trust land, and there's also a
10 potential for the project to cross the Chippewa
11 National Forest, so the U.S. Forest Service is
12 involved.

13 Although the U.S. Fish and Wildlife is
14 not serving as a cooperating agency, they are
15 participating and working with us on wildlife
16 aspects of this, including risks to endangered
17 species and -- and protected species.

18 The results -- the results of the
19 Environmental Impact Statement will inform decisions
20 related to the permits that need to be granted --
21 the federal permits that need to be granted under
22 this, and as well as RUS's financing decision.

23 The RUS NEPA process integrates a number
24 of different statutes. So it -- it covers a broad
25 range of issues, including our consultation

1 requirements under the Endangered Species Act and
2 the National Historic Preservation Act. We also
3 look at impacts to farmland under the Farmland
4 Protection Act.

5 Under executive orders that have been
6 issued by the President, we're required to look at
7 protection and enhancement of the cultural
8 environment, protection and enhancement of
9 environmental quality, floodplain issues, wetland
10 issues, and environmental justice issues.

11 Prior to determining what -- whether a
12 project is a federal undertaking, we go through a
13 fairly extensive consideration of the necessary
14 environmental review classification. And depending
15 on the potential for impacts to the human
16 environment, we classify different projects in
17 different ways that require a tiered environmental
18 review.

19 For this project, an environmental
20 assessment with scoping was required for RUS, but
21 another one of the federal agencies required an
22 Environmental Impact Statement, and the state is
23 also conducting an Environmental Impact Statement
24 for the route application process, so we are
25 conducting an EIS for this project.

1 Although two routes were considered in
2 the route application, under the federal process we
3 required a little bit more broad consideration of
4 alternatives. And through the scoping process. And
5 to get public input into other alternatives that
6 should be looked at and considered.

7 So under our -- our perspective on this
8 is is that we looked at four macro-corridors in the
9 study area, which you can see. So the two in the
10 middle are the ones that are included in the route
11 application, but we've got three additional areas
12 that we're looking at in the federal process.

13 Although the state and federal processes
14 are a little bit different, we -- the federal
15 process starts broadly and narrows. The state
16 process has the ability to start narrow and broaden.
17 So, we are now, depending on the comments that we
18 receive during the scoping process, we may include
19 additional alternatives to what the state currently
20 has in its route application.

21 Again, the steps in the federal EIS
22 process are very similar to what the state
23 undertakes. We've developed -- or the applicants
24 have developed for the process an Alternatives
25 Evaluation Study that looks at the electrical need

1 and ways of meeting that need.

2 And they've also looked at alternatives
3 for the transmission line placement, and that's
4 outlined in the Macro-Corridor Study. And these --
5 these documents are available to the public. And
6 once we complete scoping, we'll develop a Draft EIS,
7 or the state, actually, will develop that in
8 partnership with the federal agency. And after
9 that, a Final EIS will be developed, and throughout
10 this process the public will be given an opportunity
11 to comment.

12 Again, the EIS will meet both state and
13 federal needs. We'll develop a Final EIS. Each of
14 the federal agencies involved will develop what they
15 will consider their Record of Decision, that takes
16 all the information and considers it and then
17 outlines what they're willing to finance or willing
18 to permit.

19 And then they will file -- take their
20 final federal action. And, again, the result of the
21 EIS for the state will be the PUC's route permit
22 decision.

23 So, thank you.

24 MS. STEINHAUER: Thank you, Barbara.
25 We're just going to switch over for a minute. I

1 forgot -- I'm sorry. I forgot to introduce earlier
2 Mike Thomas and Meghan Sweeney, and they'll be
3 helping us take your comments.

4 So Mike will be trying to write your
5 comments down in shorthand. We also have a court
6 reporter who will be recording today's meeting, and
7 there will be a transcript of that.

8 If we can ask two things. If you can
9 identify yourself, we have a mike here so that
10 everyone can hear you speak. If you can identify
11 yourself, so that the reporter has your name in the
12 transcript, and if you can, please, speak one at a
13 time.

14 Nobody indicated on the registration that
15 they had questions or comments, so at this point,
16 I'll just kind of open it up and -- glad to -- we'll
17 try to answer your questions, but -- but I think the
18 big question everybody has is where is the line
19 going to be, and that's not something we can answer
20 now.

21 So, yes.

22 MR. HAACK: I'd like to speak a little
23 bit. Show some of my concerns that -- my name is
24 Jim Haack, by the way.

25 MS. STEINHAUER: Could you spell that for

1 the court reporter, please?

2 MR. HAACK: H-A-A-C-K. And I've had past
3 experiences with, you know, right-of-ways and with
4 utilities and so on and so forth. In fact,
5 actually, the pipeline that runs right parallel to
6 this, but in this -- through this experience, I'd
7 like to make people aware of some of the problems
8 that are -- so-called fairness of the whole project.

9 And with this electrical, I think we all
10 know, that there's a thing call EMF. And there's
11 two parts to it, one is electro and the other
12 magnetic. Electro is not my real concern, because
13 that can be stopped by clothing, walls, and so on
14 and so forth. But the magnetic portion of it, I
15 don't think there's any conclusive studies as to
16 damage it can cause to humans and the surrounding
17 area.

18 One of my big beefs about the whole thing
19 is that, you know, the landowner, and believe me, we
20 have a lot of land involved and this may be from a
21 selfish standpoint, the landowner gets paid a
22 one-time payment for the property, basically, loses
23 all rights to that property. And I'm -- there's
24 some exceptions, you can't build structures and so
25 on and so forth.

1 And yet the owner has to continue to pay
2 taxes on that property. And some of the areas
3 you're going through are very highly developable.
4 And we don't know whether EMF is good or bad,
5 there's always going to be that stigma, and that is
6 going to, you know, as far as developing this
7 property at a later time, that's going to be a
8 problem. And that's going to further devalue the
9 surrounding property, in my opinion.

10 And, of course, there's always the
11 environmental impact stuff. That I'm sure you'll do
12 your best to address, but what happens to the
13 property owner after the fact? Once this
14 right-of-way has, you know, gone through, then, that
15 is forever at no additional cost. Yet the landowner
16 is paying taxes on something he's losing value on.

17 And what recourse does this landowner
18 have after the fact, if there's a debate or so on
19 and so forth. We all know that these companies are
20 large, corporate, profit-orientated companies. And,
21 you know, I'm not questioning anybody's honesty or
22 integrity here, we're not going to all be here
23 forever, and when money drives, it speaks loudly
24 with those who have the most. And a landowner has
25 no recourse except legal. And that's pretty well

1 cost prohibitive.

2 And, I guess, that covers about all of
3 it, but really, the big difference here is that EMF,
4 that magnetic portion of it. And I think the people
5 of this, you know, conglomeration of the three
6 electrical companies have better knowledge in that
7 than I do. I just want to make people aware that
8 once that right-of-way is established, you've,
9 basically, lost the land.

10 I mean, and it devalues the land. You
11 can't even count that land as, -- let's say you're
12 going to go to lot size and so on and so forth, you
13 can't count road right-of-ways, high line
14 right-of-ways, pipeline right-of-ways. So you're
15 basically losing all rights to that land for a
16 one-time payment at today's fair market value. And
17 as years go by, that tax is going to increase, and
18 it's not fair. Enough said.

19 MS. STEINHAUER: Thank you. Those are
20 the comments that Mike wrote down. Do you -- do you
21 feel like they, kind of, capture what you said? So
22 EMF --

23 MR. HAACK: One more, if I could? Okay.
24 What about maintenance and care of that land? After
25 the pipe -- or excuse me, the high line is in, there

1 again, the landowner has nothing to say about it.
2 If he wants to maintain it, he does it out of his
3 own pocket.

4 If he wants to go to the corporate deal,
5 they are going on tell him, well, we have rules from
6 the environmentalists, la-dah-dah, but this is what we
7 have to do. Believe me, that has happened, it does
8 happen. So there again, as far as fairness or, you
9 know, you're eventually taking that land on a
10 one-time payment, and it's like many other things,
11 you know, incinerators, garbage and everything,
12 power plants, atomic and everything, no one really
13 wants it in their backyard.

14 But if you're going to put it there, it's
15 for the benefit of the whole area, but I think there
16 should be some fairness in the way financial matters
17 are handled.

18 MS. STEINHAEUER: Thank you. Happy to
19 take other comments or questions now. Yes.

20 MS. SPIES: I'm Marge Spies, and I live
21 on Grace Lake, very close to Highway 2, about a half
22 mile off Highway 2 there. And I am concerned
23 about -- I'd like to know what your concerns are
24 about the health, how it will affect us.

25 And, also, the aesthetic value. I don't

1 care for the looks of that whole thing. I'm also
2 wondering, you've mentioned all the electrical
3 companies around, and why Beltrami Electric is not
4 in on this whole thing when it serves this -- a
5 large area around this whole thing.

6 MS. STEINHAUER: Thank you. I think
7 we're writing the issues down, and then I'll ask the
8 applicant to address who the parties are.

9 MR. GRAVES: I can address your questions
10 concerning Beltrami Electric. Minnkota Power
11 Cooperative is the wholesale power supplier to
12 Beltrami Electric, and as this is a regional issue,
13 a transmission issue, we are responsible for
14 participating in that solution.

15 Beltrami Electric works on the
16 distribution side of getting the power to you, so,
17 therefore, they would not be involved from a
18 transmission standpoint.

19 MS. STEINHAUER: Questions?

20 MS. TUNSETH: Excuse me. I'm Paula,
21 P-A-U-L-A, Tunseth, T-U-N-S-E-T-H. And I live on
22 Grace Lake. And the gentleman behind me mentioned
23 that he will have to continue paying taxes on that
24 land once that is obtained from him. Why, if it
25 isn't his property?

1 MS. STEINHAUER: The utility would --
2 I'll turn it over. And, generally, the utility
3 would require an easement, so it's a certain set of
4 rights, but -- but the property owner still owns the
5 property.

6 MS. TUNSETH: You can't use it, but he
7 owns it?

8 MS. STEINHAUER: The use is reduced along
9 that easement. I think that is fair to say.

10 Yes.

11 MR. EISCHENS: My name is Ron Eischens,
12 E-I-S-C-H-E-N-S. And, I guess, my question or
13 comment would be, nobody wants this in their
14 backyard, and I understand that concept and eminent
15 domain and all that. My comment would be more in
16 the regards of -- in my particular case, I have
17 eight pipelines that dissect my current property,
18 which when I purchased the property, I was fully
19 aware of. They're adding another line next year.

20 I guess, from a residential perspective,
21 how much is fair to landowners that have already
22 sacrificed their property and given easements to
23 pipelines to also bear the burden of this
24 transmission line? Not that -- there's a public
25 benefit and I understand that, but how much -- how

1 much is an individual landowner supposed to
2 sacrifice for the benefit, when they've sacrificed
3 enough already with pipeline easements?

4 MS. STEINHAUER: Additional comments,
5 questions?

6 Yes.

7 MR. HAACK: Can I add one more comment?

8 MS. STEINHAUER: Sure.

9 MR. HAACK: I would like to maybe, you
10 know, in some of this conversation that's gone on,
11 instead of a one-time payment on the property, why
12 can't there be a land use situation where, you know,
13 it can be contracted. It can be a perpetual type
14 deal, but the -- tie it into today's economy.

15 You know, instead of -- let's say, like,
16 there was pipeline, they probably paid a couple
17 hundred bucks an acre for the right-of-way and now
18 the land is worth a hundred bucks an acre. And now
19 it's gone way up, you know, they got a good buy.
20 But they aren't taking into consideration the
21 landowner who's going to be there for many, many
22 years, their costs are going to go up. And yet, you
23 know, we're sacrificing this land, or so to speak,
24 for the good of everybody.

25 You know, because it's -- it's -- it's

1 really a back-up system, or it's a loop system.
2 Another loop that is needed, and why should we take
3 the brunt of that and get stuck in eminent domain,
4 unfair, profit-oriented driven situation. We come
5 out on the short end of it, bar none.

6 And I just want to say this from past
7 experience, because it's going to -- well, right now
8 the pipeline has got ten areas, you know, right on
9 the outskirts of Lake, you know, Bemidji, which is
10 very developable. And now, you know, I bought the
11 land knowing that.

12 And like Ron said there, how much more
13 are you ready to sacrifice? And yet we, basically,
14 share -- the land is still ours, but we lose all
15 rights to it, except, you know, the right to be on
16 it. We can't plant trees, we can't plan structures,
17 as far as zoning and planning. It takes all of
18 that. You know, we're basically giving the land
19 away for a one-time payment, and they don't have to
20 pay taxes. Now, if you can find a deal like that
21 for me, I'd like to buy a couple, three, four
22 sections.

23 MS. STEINHAUER: Thank you.

24 MR. THOMAS: There was one over here.

25 MS. STEINHAUER: Oh, I'm sorry.

1 MR. FENSKE: I'm Harold Fenske. I've got
2 property just south of Bemidji, and I've gotten
3 letters, I suppose in the last two years, and each
4 one has a -- has this nice colored map. And just as
5 a suggestion, if -- how about printing a map that
6 specifically has my property on it with a little
7 smaller scale so that I can see how it affects me.

8 You know, if I'm important enough to send
9 a letter to, maybe you could communicate with
10 landowners a little better that way. Thank you.

11 MS. STEINHAUER: Thank you.

12 I'm sorry.

13 MS. ANDERSON: My name is Barbara
14 Anderson, and I have about 2.9 areas, or a little
15 zone in the middle of this impacted area. I have
16 been in contact with Otter Tail and the other
17 people, and I'm on your e-mail and everybody else's.

18 The map is available to you, if you ask,
19 sir, right outside the door. They will print you a
20 computer printout today, and it will show very
21 specifically where you are. I asked for one when I
22 came in, but Cindy, prior to that, had sent me one.

23 The only other thing I'd like to say is,
24 after 40 years with the USDA Conservation Service,
25 which is now the Natural Resources Conservation

1 Service out in Montana, every time that you clear
2 125 feet for anything, and I'm looking right across
3 the road at Enbridge right now, the people who live
4 there and who are conscientious enough to mow that
5 down all the time, are keeping it, I mean, they
6 don't have a right to it anymore, but they keep it
7 clear.

8 We have incredible problems coming up
9 from Hubbard County and other places with spotted
10 knapweed and everything else. And coming from
11 Montana, I mean, originally I'm from here. I'm from
12 Bemidji, but we lived out there all those years.

13 And it just takes over, it's not
14 grazable, the deer, I mean, even the wildlife. And
15 now we're going to clear another 125 feet, and it
16 isn't being mowed, it isn't being taken care of.
17 And I have the most beautiful pink stuff, that, I
18 mean, this spotted knapweed and all the rest of
19 them, it's a big problem.

20 And for Barbara's EIS work, having worked
21 with these, I mean, there's no way you're going to
22 do a FONSI on this one, because it is an incredible
23 impact with the weeds and the things that -- and not
24 only the wildlife, everything. It's a big important
25 thing. And I'm not about to sit and mow all of the

1 land that I no longer have access to.

2 So, for those of you who have grazing and
3 lawns and landscaping and animals that you like to
4 watch, and wetlands, I mean, it's another 125 foot
5 swipe all the way from Wilton to Grand Rapids. It's
6 just disturbing the ground and it's going to come
7 back and the stuff that will take over, which is
8 noxious weeds and not your grasses that are there
9 right now. Thank you.

10 MR. THOMAS: There won't be a FONSI, this
11 is an EIS, so there will be a Record of Decision.
12 So, yeah. This is not an environmental assessment.

13 MS. ANDERSON: Okay. Oh, it is not an
14 environmental assessment?

15 MR. THOMAS: It's not, it's an EIS. It's
16 a full blown -- which will result in a Record of
17 Decision.

18 MS. ANDERSON: Okay. That's good. Then
19 you will find all of that. Thank you.

20 MR. NOHNER: My name is Al Nohner,
21 N-O-H-N-E-R, and I have a question. This is a
22 transmission line, are there plans in the future
23 relative to placement of additional power sources --
24 plants that will be feeding this transmission line
25 that will send the power outside the area, or bring

1 the power into the area?

2 Where is the power coming from that's
3 going to be generated? And are there -- does this
4 transmission line create an opportunity -- I don't
5 know if I'd call it an opportunity or a
6 difficulty -- with the possibility of placing power
7 plants along the routes someplace for future
8 expansion?

9 MS. STEINHAUER: I think -- I think we'll
10 record that as a comment on the opportunity or the
11 difficulty, but I will -- can the applicants respond
12 to the gentleman's questions about where that
13 power's coming from and where it's going?

14 MR. GRAVES: As I indicated in the
15 beginning, this is a reliability project. And the
16 fact that, because of the load growth in the area,
17 right now the Bemidji area is experiencing roughly a
18 three percent load growth per year. And right now,
19 the main energy supply into the area is a 230 kV
20 line coming in from the west.

21 If that line should be out of service for
22 any reason, whether it has to be taken out for
23 maintenance or due to storms or some type of other
24 failure in the line, in the year 2012 and beyond,
25 the loads are such that the existing 115 kV system

1 that now supplies energy into the area will not be
2 able to support that load.

3 And, so, therefore, brownouts and
4 blackouts could occur. So, the addition of this 230
5 line coming in from the east, allows for the energy
6 to come into the area, even though, in the case of
7 the 230 line from the west, having a failure or
8 having to be taken out of service. So, the energy
9 that comes in here is coming in from the -- or in
10 the event of -- or I should say, in the event that
11 the line should fail from the west, will come from
12 the east.

13 The strong source of electric energy on
14 the east happens to be the Clay Boswell Power Plant.
15 There are no plans to build another power plant to
16 bring energy into the area or anything like that.
17 This is strictly a reliability project.

18 There is one aspect of this project,
19 though, that could possibly involve some additional
20 energy, in the fact that it's a side benefit of it,
21 because it does strengthen the overall electric
22 system. It could possibly allow wind energy from
23 the northwest part of Minnesota to enter the
24 electrical grid.

25 But as far as new power plants being

1 built to supply this energy, there are no plans for
2 that because it's really a substitute for energy.
3 When you lose your source of energy to the west, we
4 need another source coming from the east, and that
5 will come out of the electric grid.

6 Does that answer your --

7 MR. NOHNER: (Nods head.)

8 MS. HANSON: Okay. My name is Becky
9 Hanson, and my husband and I just built a new house
10 on one of the proposed routes. And my question is,
11 with previous experiences in building transmission
12 lines, is there a percentage that homeowners'
13 property values have decreased? I know that a lot
14 of people aren't going to want to buy a house if
15 there's a transmission line running right next to it
16 or through the backyard.

17 And my concern is, having just finished
18 this house, is our property value -- are we going to
19 be a paying mortgage on a house that's not worth
20 what our mortgage is because the property value is
21 going to decrease? And are homeowners going to be
22 compensated for this?

23 MS. STEINHAUER: Thank you. I can
24 address your comment, generally, in that we will
25 look at the affect on property values, but I don't

1 have an answer about a percentage decrease.

2 I don't know if the applicants have --
3 would like to respond to that. I don't have any
4 information.

5 MR. GRAVES: Just in general, you can
6 look at, there's been various studies done by not
7 only electric utilities, but government
8 organizations, et cetera, and depending upon the
9 particular study that you look at, the results are
10 from no effect to possibly some effect there.

11 So, it's very specific as to what may
12 happen there. So, I know, that's not a clearcut
13 answer. But we can't say that, you know, the value
14 of your home is going to be decreased by a
15 particular percentage. We don't know that it will
16 at all or that it won't at this point in time
17 because, like I said, there's been studies that have
18 shown anything from zero to some number there.

19 MR. HAACK: Can I respond to that?

20 MR. GRAVES: Sure.

21 MR. HAACK: So, there's no decrease in
22 value, or no significant, from your studies.
23 Believe me, there are going to be people that have a
24 stigma about high voltage transmission. Now, it may
25 not affect the overall sale, depending upon how you

1 long you keep it on the market, but believe me, it
2 will reduce the number of buyers that will put up
3 with it. So, yeah. No. You can't shrug your
4 shoulders, because that's a fact.

5 MR. GRAVES: Well, I don't necessarily
6 disagree with that. And --

7 MR. HAACK: Maybe you should agree with
8 something.

9 MR. GRAVES: We don't know.

10 MR. HAACK: I do. Because there are
11 people that have a stigma that will not look at
12 that. And you know that as well as I do.

13 MR. GRAVES: I'm sure there are.

14 MR. HAACK: Okay. Why can't you agree
15 once, instead of just sitting back and --

16 MS. STEINHAUER: You know, there are
17 people we haven't heard from this afternoon, so I
18 want to make sure that everybody has an opportunity
19 to ask questions or comment.

20 MR. EISCHENS: Ron Eischens, again. And
21 just as follow-up to that last comment, can the
22 project owners describe how value will be
23 calculated? It is a parcel-by-parcel calculation?
24 It is a per linear foot calculation? How is the
25 value calculated from the vicinity of the home to

1 the transmission line considered in that process?
2 Can they explain that at this point?

3 MR. GRAVES: We happen to have with us a
4 couple of people that work in that particular area,
5 that's not my area of expertise.

6 I will refer to Bob to address that.

7 MR. KRAVA: Can everybody hear me okay
8 without the microphone? Bob Krava, Otter Tail Power
9 Company. And it hasn't been decided for any of the
10 four projects yet, but typically what utilities do
11 when they're acquiring right-of-way is do a market
12 analysis of the area and the types of property that
13 is being traversed by the line.

14 That can be industrial, commercial,
15 residential, agricultural, whatever, and we'll come
16 up with a current market value for that property.
17 And then that amount is used in developing a payment
18 schedule relating to that specific project. And
19 it's by acreage encumbered, so the 125 feet in this
20 case, by the length of the line crossing the
21 property, will give you a number of acres, and that
22 value is arrived at by current market analysis.

23 And because it's not a fee taking or a
24 purchase taking, some percentage of that will be
25 applied to the number of acres. I mean, that's --

1 that's the way that -- and probably the last ten
2 years, the utilities have worked through this
3 situation.

4 Does that answer your question at all?

5 MR. EISCHEMS: Somewhat. I guess it
6 doesn't address the impact to the surrounding
7 property. And I understand that's a logical,
8 reasonably way to determine value, but it, I guess,
9 it doesn't address my home's 50 feet from the line
10 versus 400 feet from the line. Is that considered?
11 It doesn't sound like that.

12 MR. KRAVA: It can be taken into
13 consideration in negotiations with that particular
14 landowner.

15 MR. EISCHEMS: How negotiable is the
16 price?

17 MR. KRAVA: The owning utilities will
18 arrive at that.

19 MS. HANSON: If a homeowner has, say,
20 five acres of land, and it is determined that this
21 transmission line is going to go through their
22 property, do they have a say, if their house is on
23 one end, can they -- do they have a say in saying
24 that the transmission line should go on the other
25 end of their property, or is that out of their

1 control?

2 MS. STEINHAUER: I can try to answer
3 that. The applicants have asked for a thousand foot
4 wide route --

5 MS. HANSON: Um-hmm.

6 MS. STEINHAUER: -- but proposed have --
7 proposed to acquire 125 feet within that. The
8 reason that they asked for the wider route, one of
9 the reasons is to allow for negotiations with the
10 landowner.

11 So, from the Commission's perspective, as
12 long as the negotiation that you reach is within the
13 permitted route width, that would still be in
14 compliance with the permit. That's a general
15 question, so -- so there is that opportunity.

16 MS. HANSON: Okay.

17 MS. STEINHAUER: Does that answer your
18 questions?

19 MS. HANSON: Um-hmm.

20 MS. SPIES: Marge Spies. In this day and
21 age, with all the green that we're talking about and
22 that sort of thing, you said there's a possibility
23 of using the windmills. Why aren't we pushing
24 toward more of the windmill energy?

25 MR. GRAVES: Do you want me to respond to

1 that?

2 MS. STEINHAUER: I guess it's my response
3 that applicants have applied for a transmission
4 line. To our knowledge, no where in the application
5 of record, so far, have they identified wind
6 resources that are associated with that, so --

7 MS. SPIES: Why not?

8 MS. STEINHAUER: The way that it's been
9 presented is that it's a reliability project.

10 MS. SPIES: I'm sorry. I don't quite
11 understand the reliability end of this whole thing.
12 I mean, I'm kind of -- you're kind of losing me.
13 I'm sorry. I'm very naive on this sort of thing.

14 MS. STEINHAUER: I don't completely
15 understand it either. I'll let the applicants
16 handle that. We're -- we need to review that
17 information, but at this point, that's the
18 applicants' argument.

19 MR. GRAVES: Basically, when we say a
20 reliability project, there is enough power. The
21 question is, can the power get to where it's needed?
22 In this particular case, if in the year 2012 and
23 beyond, should the main transmission line from the
24 west be out of service for some reason, whether it's
25 taken out of service due to maintenance, storms,

1 some type of failure, the area can experience
2 blackouts and brownouts.

3 So, we need another way of getting the
4 energy into the area. There is enough energy out on
5 the system, but it can't get here if that main line
6 from the west is out of service for some reason.
7 That's why we say it's a reliability issue, that we
8 need to get energy in from another direction into
9 the area to supply the needs here.

10 Does -- did that help you?

11 MS. SPIES: Yes, and no.

12 MS. STEINHAUER: Another factor is that
13 the Commission also -- we've been talking a lot
14 about the route, because I think that's generally
15 what people are concerned with, but the other
16 decision before the Commission is is the project
17 needed. The applicants have made an argument that
18 it's needed for reliability reasons.

19 And the Department of Commerce staff and
20 Public Utilities Commission staff will be reviewing
21 their application. They'll be asking more
22 questions, so that the -- the first decision that
23 the Commission needs to make is is this project
24 needed. If the project is needed, do any of the
25 routes reviewed -- are they permissible. So,

1 there's a two-part process.

2 Do you need a mike?

3 MR. HAACK: I just want to clarify one
4 thing up there on one of the comments. You know, it
5 says the land -- one-time payment, but the landowner
6 still has to pay taxes.

7 Now, just because it's a matter of
8 record, I'd like to put -- have you to put on there
9 those taxes increase? Those taxes increase and
10 utilities and so on and so forth, they're just --
11 well, they're sitting back giggling, because we've
12 got to pay more money, and they've got a permit.

13 You know, and it's -- it's costing the
14 owner more money, and they're not picking it up.
15 And that goes back to fairness.

16 MR. FENSKE: I don't need the mike. The
17 question to the gentleman in the corner, when you're
18 talking about reliability, are you talking about
19 being rippled, or is that just another issue?

20 MR. GRAVES: Now, what you're talking
21 about there is the load. You must be on the
22 Beltrami system?

23 MR. FENSKE: Right.

24 MR. GRAVES: That's the load management
25 system that is in place there, and now we're talking

1 much more than being rippled, because, in your
2 particular case, it may be electric water heater or
3 your electric heat for a short period of time. What
4 we're talking about is the fact that there may be,
5 in fact, a complete blackout or a brownout in the
6 area, or rolling blackouts might have to be
7 instituted to prevent a larger failure in the area.

8 Does that answer your question?

9 MR. FENSKE: I guess, what I wanted to
10 hear was, will we ripple less?

11 MR. GRAVES: No. This has nothing to do
12 with that.

13 MR. FENSKE: Thank you.

14 MR. GRAVES: That's the distribution
15 level, this bulk power supply.

16 MR. HAACK: I have another question.
17 Thank you. I keep thinking. Okay. As time goes
18 on, take a look at, for example, the pipeline. I
19 think somebody here knows better than I do, but
20 there is one pipe down the line, or two, maybe. Now
21 there's three, more, more, more. What kind of
22 procedures, let's say, that in the future that you
23 have this right-of-way, that you want to add more,
24 increase the size of the line, so on and so forth,
25 as you increase, maybe you want to go to a high

1 voltage, increase the EMF.

2 I mean, all of sudden, we haven't got the
3 same kind of deal we're making today, if it's a
4 deal. You know, what stops the utilities from doing
5 that? I mean, are these lines being designed for
6 reliability? Or are they being, you may answer,
7 designed for future capacity? Or is it a
8 combination of both?

9 You know, so, when it gets into the long
10 range deal of it, there, again, it's -- I'm speaking
11 from past experiences, 30 years of past experiences
12 of owning a lot of right-of-ways. That's the real
13 downside, but I think the people would be a lot
14 happier if they just made it fair and took care of,
15 you know, future maintenance, future tax increases,
16 take care of the land, you know.

17 We lose all the rights. I mean, it goes
18 to poo. And we're stuck with the costs, the
19 increasing costs. And yet we're talking to large,
20 profit-orientated corporations that are making
21 money, you know, on what they're doing and not
22 passing it on.

23 And you may think I'm sitting here
24 talking money most of the time, but my main concern
25 is the environment and EMF and the consideration the

1 landowner gets once the right-of-way is established.
2 We haven't -- we have no recourses.

3 MS. STEINHAUER: Thank you. To provide,
4 again, a general answer, because that's all I can do
5 now. And the first part of your question, when
6 you're talking about, are they going to need to add
7 additional transmission, that's one thing that we
8 asked them.

9 And we do evaluate what are the -- what's
10 the potential. How far out will this serve the
11 need, and this is -- you're looking at about
12 20 years.

13 MR. GRAVES: At this point, we're looking
14 at least 15 years.

15 MR. HAACK: A drop in the bucket in time.

16 MS. STEINHAUER: I want to make sure that
17 everybody has an opportunity to comment. We are --
18 we'll be around later, and we'll be taking comments.
19 We'll be back tonight, if you think of something
20 else and want to come to the meeting tonight.

21 But there -- you can -- you can send in
22 written comments. There are comment sheets
23 available outside the door, and my card is there.
24 So, as long as we get them by fax, by e-mail, by
25 U.S. mail. If you wanted to drive down to St. Paul

1 and drop them off, that would work, too. But they
2 need to be received by 4:00 on Friday, August 29, to
3 be included in the record.

4 Once we get -- once that's compiled,
5 we'll make a determination about which routes will
6 be evaluated, and what particular issues we'll be
7 looking at as we move forward with review for the
8 project.

9 Yes.

10 MR. HAACK: Can I rephrase that last --
11 or say one more thing? I think on the last question
12 I asked was about expansion, and, you know, more
13 capacity and so on and so forth. Unless I missed
14 it, I don't think that was an answer.

15 You know, what happens with a higher
16 voltage, more capacity -- is it, I mean, you've
17 already got the right-of-way, that -- that -- that
18 battle is over. I mean, how does the landowner or
19 the surrounding people, you know, living along this
20 line, have anything to say about it, and what
21 guarantees do they have?

22 MS. STEINHAUER: If the Commission
23 determines that the project is needed and issues a
24 route permit, the permit will be for a 230 kilovolt
25 single circuit transmission line. So, if they want

1 to add something, they need to come back to the
2 Commission and ask for -- for another permit for --
3 if they wanted to either add another line or
4 construct a larger line.

5 MR. HAACK: Well, I understand that, but
6 it's going to be a whole lot easier with an existing
7 pipeline, you know, existing right-of-way. And, you
8 know -- you know, what's it going to do? Are you
9 going to do another EIS, or whatever, environmental
10 study on that? Or you just, because you already
11 have it --

12 MS. STEINHAEUER: If they ask for another
13 transmission line, yes, that will be a separate
14 review. And if they ask for that in a couple years,
15 the Commission would not look kindly upon that.

16 MR. HAACK: But so --

17 MS. STEINHAEUER: We anticipate that they
18 should be able to project their need out for some
19 period of time.

20 MR. HAACK: So, they double the size of
21 the transmission line, and they're making that much
22 more profit, but the landowner doesn't see any of
23 it. Because, you know, the basic one-time fee on
24 the -- on the right-of-way. I just think, you know,
25 a land use fee is a much more fair way of doing it,

1 and tie it into today's economy.

2 MS. STEINHAUER: To -- to answer your
3 question, if they want -- if they want to add an
4 additional line, or if they want a larger line, that
5 would be another permit process, and we have asked
6 them if they can do that on the same right-of-way.
7 There would be another process for that.

8 MR. HAACK: No, I understand that, but I
9 don't understand the right-of-way.

10 MS. STEINHAUER: Yes.

11 MS. ANDERSON: Maybe this isn't exactly
12 what he was asking, but it's been my experience, and
13 Barbara can probably, or Otter Tail people, either
14 one, I don't believe that if -- okay. This is where
15 it usually happens in Montana when we are dealing
16 with all of these kinds of things. If that
17 right-of-way is already there and they want to put
18 in a 500 or tripods or some large thing later,
19 generally speaking, in my experience, there is no
20 environmental impact statement at that point.

21 It's more just, the land is already there
22 and they can do -- am I wrong, or is it going to
23 have to be a complete, total process like we're
24 doing here from the ground up?

25 MS. STEINHAUER: I can let Barbara try to

1 answer the federal process, but from the state
2 process, they've asked for a 230 kilovolt
3 transmission line, and that's what will be
4 permitted. If they need to ask for something later,
5 in the Minnesota side, that will be a separate
6 permitting process. I can't answer the probably --

7 MS. ANDERSON: But you can't answer the
8 depth of it. Whether it would go all the way back
9 to an EIS, is what you're saying. You wouldn't
10 know, it would be perhaps just -- perhaps just
11 some --

12 MS. BRITTON: From the federal side, if
13 they're going to be replacing all the structures
14 along the line, the same process would hold.

15 MS. ANDERSON: For the total EIS.

16 Thanks.

17 MS. PILE: I could add -- Deb Pile with
18 the Department of Commerce, Energy Facility
19 Permitting. It really depends on the size of line
20 they would be talking about, because we have
21 particular thresholds in rule, depending on the
22 size, that it's a mandatory environmental impact
23 statement.

24 MS. ANDERSON: Sometimes, in my
25 experience, if the land is already there and the

1 easement is there, then, there's no significant
2 impact, they do not go back to -- don't -- there's
3 just, like I said, a FONSI. There's no significant
4 reason to go back for an entire environmental impact
5 statement, it's something lesser. When the land has
6 already been acquired, and, so, it's easier.

7 The process is less in depth, is what I'm
8 saying, usually, but perhaps Minnesota is -- has
9 state laws that are more --

10 MS. STEINHAUER: If -- it's a
11 hypothetical question --

12 MS. ANDERSON: It is.

13 MS. STEINHAUER: -- and it would depend
14 on what they were asking for, but another
15 transmission line would need to receive a state
16 permit.

17 Yes.

18 MR. HAACK: I was just smiling.

19 MS. STEINHAUER: I don't want to -- I
20 want to be respectful of people's time, so if there
21 are no other comments, we'll adjourn the meeting.

22 But we will be here this afternoon, we'll
23 be back this evening to take your comments.

24 And I'd like to reiterate, again, if you
25 think of something later, please send them to us and

1 let me know by August 29.

2 Thank you very much for your time. I
3 appreciate you taking the time today. Thank you.

4 (Hearing was adjourned at 3:12 p.m.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

