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PUBLIC COMMENTS - MAY 18, 2011 - 2:00 P.M.

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

In the Matter of the Applications for a Route Permit and
Certificate of Need for the 115 kV Savanna Rebuild
Project

MPUC DOCKET NOS.: ET-2,E015/TL-10-1307 and
ET-2,E015/CN-10-973

Fine Lakes Township Hall
3726 Prairie Lake Road
Wright, Minnesota

MAY 18, 2011

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1 (Presentations by Mr. Storm and Ms. Lommel
2 from GRE.)

3 MR. JOHN McCARDLE: Just one quick
4 question. I think it was your second slide, there
5 was something about a certificate of need or
6 something to justify the project. Has that already
7 been submitted and accepted?

8 MS. LOMMEL: We did a combined
9 application, so the certificate of need and the
10 route permit application were actually put together
11 and applied for as one application document.

12 MR. JOHN McCARDLE: I was wondering if
13 that -- is that something that's available to take a
14 look at?

15 MS. LOMMEL: The application I believe is
16 posted on Great River Energy's website and there is
17 copies here in the back. And I assume that through
18 the state docket you may cover how they get to it.

19 MR. STORM: You can either ask me for a
20 copy, if we have extra copies here I can give you
21 one now.

22 MR. JOHN McCARDLE: The certificate of
23 need is the one I want to look at.

24 MR. STORM: It's also posted on our
25 website.

1 MR. JOHN McCARDLE: Okay.

2 MS. LOMMEL: All right, thank you.

3 (Presentation by Mr. Storm.)

4 MR. STORM: Does anybody want to speak on
5 the record or ask questions? You can speak as a
6 comment or you can speak as a question and we'll see
7 if you can get a reply.

8 MS. COLLEEN LUND: I guess I can say a
9 few things. Can I just sit here?

10 MR. STORM: Just make sure Janet can hear
11 you and state and spell your last name.

12 MS. COLLEEN LUND: Again, thank you for
13 offering us an opportunity to ask questions and get
14 information and for all the details that you shared.
15 We appreciate that, as landowners of some of the
16 project that will be definitely affected.

17 My name is Colleen Lund, or Kelly Lund I
18 go by, and although I'm currently residing in the
19 Twin Cities, my family, my sister and I and actually
20 six other siblings grew up in Floodwood right near
21 where the Savanna Project is situated.

22 My family has owned this property since
23 the mid '40s and so for the last 60 years, going on
24 70. We have had the power line running in the back
25 of our property and I recall my mother talking about

1 the loss of trees back there and how she respected
2 our environment so immensely, she hated to see that
3 happen, but nevertheless we also utilize the power
4 so that was a matter of fact.

5 Something that I've shared already with
6 Michelle on the phone and also with Carol today, and
7 Bill, is that there is a situation that's very
8 special to my heart and I'm trying to keep to a
9 minimum the details involving it.

10 I was on CNN earlier this year talking
11 about my brother Gerald's situation. My brother
12 Gerald was a marvelous person who ended his life by
13 suicide as a result of his mental illness. He was
14 held up as a poster boy across the nation for how
15 people in his situation tried to get help, the
16 families tried to help him, but the county and the
17 state failed him to the point where after two years
18 of nightmare situations my brother chose to walk to
19 this corner near the proposed station on our
20 property and he shot himself in the head.
21 Everything was so traumatic. So as a result of our
22 love for him and the need to keep that spirit alive,
23 he sought that peace and quiet on that part of our
24 family farm and this area is what we are very
25 concerned about being totally disturbed, in terms of

1 removal of all the beautiful, beautiful Tamarack
2 trees where he laid when my family members found
3 him. We have a memorial situated there and it's a
4 very, very special site to us all.

5 So our concern is that this area is going
6 to be disrupted. Whether the clearing comes right
7 up to that spot where he died and the memorial sits
8 or even close to it is going to make a huge
9 difference if, in fact, my understanding of the
10 footage is going to turn out to be accurate. We
11 haven't measured -- it's been so wet back there we
12 haven't measured exactly where that site falls, but
13 in my mind I think it's going to be right on the
14 line or probably usurping that area. So that is my
15 primary reason for being so concerned about the new
16 transmission proposal.

17 We have taken a look at the map and the
18 details and it would be the east side of the Stremel
19 Road near the Lund property. There is that stretch
20 that runs parallel that has a telephone line running
21 across it. I don't know if that line is functional
22 right now, I know into our farm the line is buried
23 at this time and so I don't know if this is old line
24 that's still hanging out or what the status is. But
25 we were wondering about maybe the possibility of,

1 rather than cutting further back from the existing
2 line on our property, whether or not that could be
3 relocated to the east side. If that's something
4 that would be workable it would certainly solve some
5 of our concerns. My brother's memorial site would
6 be safe and we wouldn't have to have that concern at
7 all.

8 Another issue related to that is, as my
9 mother would talk about from way back when for going
10 on 70 years, we've given up those trees, it's been
11 maintained, it's been cut. It would be nice not to
12 have further forest land taken away from us. We
13 own, I think it's 140 acres along that proposed
14 area. The northern section would be kind of a
15 double whammy because we'd be having the forest cut
16 back from not only the east side but the northern
17 section and so we'd be losing on both directions.
18 So it's a concern just for the fact of losing the
19 trees.

20 Right now my nephew has been renting that
21 property from us and he and some of my siblings have
22 planted trees all along the Stremel Road on that
23 back line where it was a little more open but had
24 been forested at one time. And so I know White Pine
25 has been planted and they are grooming those and

1 trying to take care of them and this would
2 definitely encroach on those trees that are planted.

3 One additional thought, and I apologize
4 for my voice, but one additional thought is that my
5 nephew is also talking about expanding some other
6 operations on that farm, including dairy cattle, or
7 I'm not sure what kind, if he's doing beef or what
8 he's contemplating. But he's trying to put that
9 thought a little further forward, and I don't know
10 the current status, I haven't had the time to
11 explore the EMF possibilities, but I know that that
12 is a concern that I certainly have and other
13 siblings as well.

14 So I think those are the hottest items on
15 our list of concerns, and just having an opportunity
16 to express them and have them heard is something
17 that is very much appreciated.

18 MR. STORM: Well, thank you. I would
19 encourage you to write me during the scoping period
20 and put forth that alternative route segment, moving
21 the road, and if it makes it through scope we will
22 certainly evaluate the impacts of that. Basically
23 what we'd be doing there is looking at both sides of
24 the road and weighing out this many houses are
25 affected, wetlands, forests, all the way down, so we

1 can lay out the facts for the PUC to make a
2 decision.

3 If you look at my draft scoping document
4 you can see that EMF is a standard issue that we do
5 discuss, and in the environmental document we will
6 discuss EMF generically and it will discuss it
7 specifically to this line, so you'll have that
8 information in there. And stray voltage, as you
9 see, is also in here, and that's a dairy cow concern
10 on some of the dairy farms, the stray voltage issue,
11 but we will flush out that issue generically and how
12 this line, what potential impact this line may have
13 from a stray voltage standpoint, too, in the
14 environmental document.

15 MS. SHARON FILIATRAULT: I just have a
16 curiosity question. What will the new power source
17 be, where is that going to come from?

18 MR. STORM: Okay. I'll make a short
19 answer to that and then I'll turn it over to GRE.

20 My understanding of this project is it's
21 not going to require any new generation to be put on
22 the grid, so there will be no new source of power
23 for this line. Correct me if I'm wrong, GRE?

24 MR. DAVID VAN HOUSE: That's right.

25 MS. SHARON FILIATRAULT: This power grid,

1 then, all through our area, too, they will be
2 receiving that new surge of power as well?

3 MR. STORM: Again, my understanding is
4 that the issue we have -- that the utilities have in
5 this area is the voltage, trying to keep the voltage
6 up and the quality of power. Everybody who will be
7 serviced by it will have that improved power. I
8 think the implications are more to the
9 commercial/industrial users who need the power to be
10 at a certain quality as opposed to homeowners, but
11 everybody benefits when the community benefits, I
12 guess, from improved quality in the power. Does GRE
13 want to comment?

14 MR. WINTER: I can comment. Christian
15 Winter, Minnesota Power.

16 Your service won't, as far as
17 distribution service, it shouldn't be changing. You
18 know, this is more of the part of the power system
19 that delivers power to the stations that then it can
20 be distributed among everybody else. So it's
21 actually increasing the reliability of the
22 distribution in that area.

23 MS. SHARON FILIATRAULT: So there are no
24 other large industries or companies that are
25 requesting extra power?

1 MR. WINTER: No, we haven't received any
2 requests from anybody to do this, it's driven by the
3 utility.

4 MS. COLLEEN LUND: Out of curiosity, this
5 same issue, is there one major utilizer of the power
6 that would run through the line?

7 MR. WINTER: Which, the one going up to
8 Cedar Valley?

9 MS. COLLEEN LUND: Who is a large
10 consumer of that power?

11 MR. WINTER: The one going up to Cedar
12 Valley you're talking about, GRE would be able to
13 answer that.

14 MR. MESSERSCH: There isn't one specific
15 spot load that's consuming all that power. What I
16 would like to add to what Christian Winter said was
17 kind of what you were asking about, this big surge
18 of power. By building this new power line it's
19 going to increase the reliability of the bulk power,
20 so the bulk power that gets to the substation, that
21 is then distributed to your house. And this, as
22 Michelle mentioned, this power line was built, you
23 know, and it's 50, 60 years old. So when we build a
24 power line we try to get 50 to 60 years out of it.
25 So now, since this is kind of age replacement, it's

1 kind of old, it's time to put something new in the
2 ground, we want to plan for another 50, 60 years.
3 With that, we are going to go to a higher voltage
4 level that will allow for expansion. We have to be
5 proactive, not so much reactive. To build power
6 lines like this it takes years. People could put up
7 say a saw mill or something like that and they could
8 do that a lot quicker than maybe we could provide a
9 power line to them. So with that we are kind of
10 building a power line that may seem to be -- may be
11 perceived to be bigger than what we need, but it's
12 designed for the next 50 to 60 years of growth.

13 MS. COLLEEN LUND: I think we were just
14 taking a look at some of the demographics that were
15 put forward and it looked like it was, between the
16 originating year, the growth in that period in time
17 from the census was one for our particular area in
18 Van Buren. And having the sense for how population
19 has really not grown in this northern part of
20 Minnesota, it seems like a curious thing and we were
21 just wondering about where does that actually -- who
22 actually uses the majority of the power that will be
23 increased in transmission.

24 MR. MESSERSCH: The region is expected to
25 grow more. You know, Duluth is going to move west.

1 And like I said, when we design a power line it's
2 for the next 50, 60 years. And maybe kind of --
3 maybe we need a crystal ball to know what that load
4 projection is 50 to 60 years from now, but we want
5 to take a more proactive approach to it and we feel
6 confident that 115 kV will provide us with capacity
7 for expansion, more loads that are coming on the
8 system. The 69 kV system is kind of reaching its
9 voltage limits. So if you lose one of the bulk
10 substations, we have Four Corners, we have Cromwell,
11 we have Thompson, if we are to lose one of them, we
12 call that a contingency or a fault, it will put
13 stress on the rest of the transmission lines in the
14 area and that's where we will see low voltage issues
15 and such. Does that help?

16 MS. COLLEEN LUND: It does. I'm just
17 thinking about the contingency plan and looking at
18 the future forecast, this proposed project I think
19 was outlined at 29 million.

20 MR. MESSERSCH: Okay.

21 MS. COLLEEN LUND: And curiosity, who
22 pays for that 29 million? Does that come from a
23 combination of GRE and Minnesota Power or the
24 consumers that are situated in our family's
25 neighborhood? Who actually runs that project?

1 MS. LOMMEL: The costs are shared between
2 the utilities, but Minnesota Power is responsible
3 for the Savanna Switching Station, and then Great
4 River Energy is responsible for the line costs. And
5 that's -- it's a project that is capitalized, so we
6 plan for that, we knew that this project was coming
7 up, you know, back in time, and so we planned for
8 it, it's been budgeted for. And it's a cost that's
9 spread across our entire system, it's not
10 specifically something that you would see on your
11 bill as a result of living in the area being served
12 by the project, it's really spread across our entire
13 territory.

14 And we have 28 cooperatives. Lake
15 Country Power is our primary distribution
16 cooperative that's up in your area, but we in total
17 have 28 distribution member cooperatives and it's
18 spread across all of them.

19 MS. COLLEEN LUND: That's a lot bigger
20 for today's day and age.

21 MR. WINTER: I wanted to comment on that.
22 Again, they are the Cedar Valley customers and Lake
23 Country Power customers so I'm not necessarily
24 familiar with the load forecast. But, you know, the
25 population not increasing doesn't necessarily mean

1 that usage isn't increasing. You know, over time,
2 you know, modern days, TVs, plasma TVs, LCD screens
3 use more power than the older TVs do, so even just
4 the different electrical equipment that you have in
5 your homes, computers, TVs and stuff, energy usage
6 could be going up even though the population isn't.

7 MS. COLLEEN LUND: There is a high
8 percentage of people living under the poverty level
9 in our area and I can't imagine too many of them
10 will have this stuff.

11 MR. VAN HOUSE: Dave Van House, Minnesota
12 Power. Like Eric and Chris are trying to say, the
13 power is not just Van Buren Township for this
14 project, it's a much larger area. And if you want
15 to, Chris has a computer here and he could show you
16 some simulations. So a larger area of this project
17 benefits and so it's not specifically for Van Buren
18 Township, although GRE's lead at Cedar Valley
19 Substation might be for that. This project as a
20 whole, with the Savanna Switching Station and going
21 down to the Cromwell Switching Station benefits a
22 much larger area.

23 MS. SHARON FILIATRAULT: I'm just
24 wondering if this kind of project is going to be
25 encompassing like in northern Minnesota, up on the

1 Range and further up into, you know, the Boundary
2 Waters area, you know, who knows. I don't know if
3 it's just kind of centered in this locale or what.

4 MR. WINTER: This particular project is
5 designed primarily to increase reliability and load
6 serving capability in these areas, the Floodwood,
7 Cedar Valley, Cromwell, Wrenshall, kind of this area
8 between Duluth, Grand Rapids and Brainerd. You
9 know, it is an improvement to the electric grid in
10 the region. So, you know, it has benefits
11 region-wide, but certainly it is most beneficial to
12 this area.

13 MS. SHARON FILIATRAULT: My concern was,
14 you know, is there some big company that's going to
15 expand and they want to have a lot more power so,
16 you know, let's go in there, or what the deal is on
17 that. Because we know, again, that our area is not
18 growing. It really isn't.

19 MR. WINTER: And MP does serve industrial
20 customers in Floodwood, Minnesota Power serves in
21 the Floodwood area.

22 MS. SHARON FILIATRAULT: Yes.

23 MR. WINTER: And I think, as we state in
24 our document, there's potential for expansion there,
25 but it's not solely to serve -- it's not solely for

1 any kind of industrial expansion, it is a local load
2 serving issue. So for this Floodwood area, for the
3 Lake Country Power customers in the area and for
4 Minnesota Power customers as well.

5 MS. SHARON FILIATRAULT: Thank you.

6 MR. STORM: I want to point out that in
7 the application, the rationale for their need is
8 spelled out in their application, their forecast and
9 their assumptions they make on their forecast, you
10 can certainly review that.

11 And I might add that, just as Energy
12 Facility Permitting, me and Suzanne, we look at and
13 mostly deal with the environmental and the routing
14 side of it, and there is another counterpart in the
15 Department of Commerce, the Energy Resource Planning
16 group, who look at the forecasting. They are a
17 bunch of economists and they'll look at the data and
18 they make their own recommendation to the PUC on
19 whether the forecast or their assumptions are right
20 and that's sort of a separate track than us.

21 Suzanne and our group, we're looking at
22 the site specific, the routing, the environmental
23 impacts of what's going on. There is another group
24 that looks to make sure -- to vet, I guess, for a
25 better word, to vet the data that the applicants are

1 putting on the table of why they need it.

2 So any other questions, comments? Thanks
3 a lot for coming.

4 MS. COLLEEN LUND: I've got one more. I
5 was just going to say, if I understand it correctly,
6 then our conversation earlier with Michelle, you
7 mentioned to me that if I were to go to that utility
8 pole that currently exists on the old transmission
9 route and measure 65 feet westward, that that would
10 be the line that the clearing would take place and
11 no further on, is that correct?

12 MS. LOMMEL: Correct.

13 MS. COLLEEN LUND: Okay. There was a
14 slide that you had related to the easements on your
15 PowerPoint. Is there any way that I can get a copy
16 of that just to have it?

17 MS. LOMMEL: Yeah, I think I have extra.
18 It's in the packet of slides that are on the back on
19 the table.

20 MS. COLLEEN LUND: Then I do have that.

21 MS. LOMMEL: Otherwise, I think I do have
22 that individually. Again, the terminology, it's
23 hard to describe the differences because the
24 terminology seems so similar, but just keep in mind
25 that the permit corridor is where we have permission

1 to be, where the state would grant us permission to
2 have the transmission line and the easement within
3 that corridor. A little wider for flexibility is
4 what we like to see and so that's generally what we
5 apply for. The easement within that is going to be
6 narrower. And the easement, of course, is something
7 that is a legal document that's recorded against
8 your property.

9 MS. COLLEEN LUND: Okay. So the easement
10 would basically state, then, that whatever that
11 footage is from the measuring point, Stremel Road,
12 midline on that, it would end up being the same as
13 the 65-foot extension westward up to our property?

14 MS. LOMMEL: Right. That 65 feet we
15 discussed, that's essentially the edge of the
16 easement and then would also be the edge of the tree
17 clearing.

18 MS. COLLEEN LUND: So any other figures
19 that are on there doesn't alter that?

20 MS. LOMMEL: Right. That just helps you
21 try and get out to that 65 feet so you can
22 understand where the existing line is, where the new
23 line would be and where the edge of the easement and
24 tree clearing would be on that. And then, of
25 course, in relation to where the road right-of-way

1 is.

2 MS. COLLEEN LUND: Thank you for
3 clarifying the different figures and overlaps.

4 MS. LOMMEL: And like I mentioned, I'm
5 happy to come out and meet with you if there's
6 anything that we should look at specifically out
7 there. Especially once you get measurements of that
8 memorial site, we're certainly interested in that.

9 MS. COLLEEN LUND: And the height on the
10 poles that would be in there?

11 MS. LOMMEL: Generally in this area,
12 without distribution underbuild, I would say it
13 would probably be 65 to 70 feet tall. And, again,
14 that first photo of the slides that you see in the
15 packet, where we just have the horizontal post
16 insulators, no crop arm underneath, so it would be
17 the first one on the left that you would see in your
18 area.

19 MS. COLLEEN LUND: Thank you.

20 MR. STORM: And for you folks, I do want
21 to touch on one more thing. I can't keep quiet, I
22 guess. You know, we talked about you can put forth
23 an alternative route or alternative route segment,
24 you know, and whether it makes a scope or not I
25 can't say. But if you do, let's say you do and it

1 makes the scope and we get through the environmental
2 review and now we're at the hearing. And you want
3 to stress to the judge at the hearing that, okay,
4 we've got these routes, you favor the east side, but
5 when you look at the data it's a high bar to get
6 over on the existing -- the brown field versus the
7 green field, just for lack of better terms and the
8 site terms. But as I said, when the Commission
9 issues a permit, they will also issue -- they can
10 also issue conditions to that permit.

11 So in this time that passes as we move
12 toward the public hearing, you and Michelle are out
13 there and you measure out what the distance is to
14 the point where, oh, you're satisfied that it's not
15 going to interfere with your memorial, you can, at
16 the public hearing, ask the ALJ that you would like
17 a condition in the permit to be, okay, you're going
18 to go down the west side of the road, okay, we
19 understand that, but I want a condition that as you
20 pass our property here that you pay close attention
21 to these issues, the memorial issue and how far you
22 want them to be away from the memorial, or you guys
23 can work out informally to get that formalized in a
24 permit condition.

25 MS. COLLEEN LUND: Okay.

1 MR. STORM: That might help you move
2 towards what you're trying to obtain.

3 Okay. No other comments or questions? I
4 do thank you for coming out. If you have any
5 questions, certainly give me a call any time. My
6 card is on the table. And remember that the comment
7 period closes on the 1st of June.

8 MS. COLLEEN LUND: Thank you very much.

9 MR. STORM: Thank you for coming.

10 MS. SHARON FILIATRAULT: Thank you.

11 (Comments concluded.)

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