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PINE RIVER - MARCH 12, 2014 - 6:00 P.M.

INFORMATION AND SCOPING MEETING FOR THE  
MINNESOTA PUBLIC UTILITIES COMMISSION  
AND  
MINNESOTA DEPARTMENT OF COMMERCE

In the Matter of the Application of North Dakota  
Pipeline Company, LLC for a Pipeline  
Routing Permit for the Sandpiper Pipeline Project

MPUC DOCKET NO. PL-6668/PPL-13-474

Pine River – Backus High School  
1000 First Street North  
Pine River, Minnesota

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1 MS. TRACY SMETANA: Good evening,  
2 everyone, and thank you for coming. If you could  
3 please find your seat, we'll get started in just a  
4 minute. Thank you.

5 Again, good evening, everyone, and thank  
6 you for coming. My name is Tracy Smetana, I'm with  
7 the Minnesota Public Utilities Commission.

8 This is the public information meeting  
9 for the proposed Sandpiper Pipeline route. I've  
10 included the Public Utilities Commission's docket  
11 number on the front page here, and that's sort of  
12 the key to finding information with our office so  
13 that's a useful bid of information to have.

14 I'll just go over some introduction.  
15 We'll deal with the pipeline route permit roles and  
16 process. We'll ask the company to provide a brief  
17 summary of their proposal. And the Department of  
18 Commerce will talk about the environmental analysis  
19 process. And then we'll open it up for the main  
20 event, which is your comments and questions. And  
21 just so you know, we do need to stick with the  
22 stated time on the notice, which is 9:00 p.m. to  
23 end, and so when we get to that point of comments  
24 and questions we will ask that you limit your  
25 remarks to three to five minutes to be certain that

1 everyone has an opportunity who wishes to comment to  
2 do so.

3 So, first off I'd like to give a little  
4 introduction on who is the Public Utilities  
5 Commission anyway. Because if you're like me, you  
6 maybe haven't heard of us before. I know I didn't  
7 know who the Public Utilities Commission was until I  
8 applied for a job with this agency.

9 We regulate permitting for power plants,  
10 pipelines, transmission lines and other large energy  
11 facilities. We also regulate local and in-state  
12 long-distance telephone companies as well as rates  
13 and services for investor-owned electric and natural  
14 gas utility companies. So, for example, when they  
15 want to change their rates they have to come to us  
16 to get permission to do that before they can put  
17 those into place.

18 We have five commissioners. They're  
19 appointed by the governor and they serve staggered  
20 terms, so we don't get a whole new batch every time  
21 we get a new governor like some other agencies  
22 might. So we have some commissioners that are  
23 currently sitting who were appointed by Governor  
24 Dayton and some that were appointed by governors  
25 prior. So it's a mix.

1           For our commissioners, it is full-time  
2           employment, so a little bit different from, say, a  
3           small-town city council where they might have a few  
4           meetings a month and that's their obligations for  
5           that position. This is full-time employment,  
6           they're there 40 hours a week just like the rest of  
7           us. And we have about 50 staff that do various  
8           things. Legal, technical, consumer areas, to help  
9           the Commission do their work.

10           I'd also like to go over a little bit  
11           about who's who in this whole permitting process.  
12           Because if you follow the process these are some of  
13           the folks or terms that you might come in contact  
14           with.

15           So first off we have the applicant.  
16           That's the term that we use to describe the person  
17           or the company who's asking for the certificate of  
18           need and the pipeline route permit. So in this  
19           particular case the applicant is the North Dakota  
20           Pipeline Company. So if you hear anyone talk about  
21           the applicant, that's who they're talking about.

22           The Department of Commerce is another  
23           state agency and they have two different roles in  
24           this process. The first is the Energy Environmental  
25           Review and Analysis group. You might see them

1           abbreviated as EERA. And they deal with the  
2           environmental analysis aspect of this project, and  
3           later on Mr. Hartman will get into some more details  
4           about that for you.

5                       The other part of Commerce that's  
6           involved in this process is the Energy Regulation  
7           and Planning group. They deal more on the  
8           certificate of need side of this project. They do  
9           economic analyses and technical analyses and their  
10          job is to represent the public interest when  
11          utilities come before the Commission to do just  
12          about anything.

13                      Later on in this process, we will ask the  
14          Office of Administrative Hearings to get involved.  
15          They are another state agency but completely  
16          separate from the Commission and from Commerce. And  
17          they will assign an administrative law judge -- one  
18          other abbreviation, ALJ, you might see that -- to  
19          this case. And the ALJ's job is going to be to  
20          collect evidence and testimony from citizens, from  
21          the company, from other parties, to determine some  
22          recommendations to make for the Public Utilities  
23          Commission. So at the end of that process the judge  
24          will write a report offering some conclusions and  
25          recommendations for the Public Utilities Commission

1 to consider.

2 At the Public Utilities Commission, in  
3 addition to the Commissioners, of course, there is a  
4 couple staff folks that you may interact with as  
5 part of this process. The first is the public  
6 advisor, that's me, I'm Tracy. My job is to help  
7 you figure out how to participate. When can you  
8 plug in, where can you find information that will  
9 help you offer comments that are useful, that type  
10 of thing. I'm not an advocate, so I'm not here to  
11 represent any interest or any party. I don't give  
12 legal advice. My job is to be neutral and be sort  
13 of an information station, if you will.

14 My counterpart is an energy facility  
15 planner and their job is to assist in building the  
16 record on the technical side. So they deal with  
17 more of the technical aspects, I deal with more of  
18 the information and people aspects. And, again,  
19 Commission staff, we're neutral, we're not  
20 advocating on behalf of any one person or party or  
21 position and we're not going to be giving legal  
22 advice.

23 So why is the Public Utilities Commission  
24 involved in this particular proposed project? Well,  
25 the statutes and rules have said this is a large

1 energy facility because it transports petroleum in a  
2 pipeline with diameter of six inches or more, with  
3 more than 50 miles in Minnesota. So if those things  
4 are true, then the statutes and rules say the  
5 company has to have a certificate of need before  
6 they can build anything. So it's going to answer  
7 the question is the project needed, okay. So that's  
8 sort of part one.

9 And the other piece of that is if it's  
10 needed, where is it going to go. And so that's the  
11 route permit. And a route permit from the state is  
12 required in this case because it's a diameter of six  
13 inches or more and it transports hazardous liquids.

14 So, again, step one is is the project  
15 needed. If yes, where is it going to go. What's  
16 going to happen is these two processes are going to  
17 sort of run parallel, kind of next to each other,  
18 and we'll talk about that in a moment.

19 So when the Commission looks at the route  
20 options, how in the world do they decide where this  
21 thing is going to go? So some of the factors the  
22 Commission is required to consider are listed here  
23 on this slide. Human settlement, the natural  
24 environment, archeological and historic resources,  
25 the economy, whether that be agriculture, forestry,

1           tourism and so on. Pipeline costs and  
2           accessibility. Use of existing rights-of-way, where  
3           that makes sense. Cumulative effects of future  
4           pipeline construction. And also want to make sure  
5           the project complies with other regulations out  
6           there, whether they be local, state, federal and so  
7           on.

8                         Now, what the statutes and rules don't do  
9           in this case is rank these. You know, I have them  
10          in a list here, but they're not in priority order or  
11          anything. So what's going to happen as we move  
12          through the process is people are going to debate  
13          about which of these is most important. Some folks  
14          might say, you know, whatever you do, follow  
15          existing rights-of-way no matter what. Other people  
16          might say, well, avoid human settlement at all costs  
17          no matter what. And so those are the types of  
18          debates that will go on and the Commission  
19          ultimately decides what wins.

20                        Could you hold your questions till the  
21          end?

22                        UNIDENTIFIED: Sure.

23                        MS. TRACY SMETANA: Thank you very much.

24                        So, first of all, I'm going to talk about  
25          the certificate of need process. And so you can see

1 step one is -- well, actually, step one is before we  
2 get to this chart where the company submits an  
3 application, okay, so they kind of start the process  
4 off. Once they do that, the first thing the  
5 Commission does is review it to determine if it  
6 includes all the necessary parts to call it an  
7 application.

8           Once that happens, we say application  
9 accepted. And I know that that term is kind of  
10 confusing. People sometimes say, well, if it's  
11 already accepted, what are we doing here, isn't it  
12 already a done deal? The answer is no, accepted  
13 just means we've accepted it to move on into the  
14 review process, okay. So it's not making any  
15 judgments about whether it's a good application or  
16 not, it just contains all of the necessary elements.  
17 So you might think of it as a checklist.

18           From there we're going to move on into  
19 studying the merits of that application. So first  
20 off, did they send us everything. And second we're  
21 going to look at, is this good stuff, does it meet  
22 our needs, does it tell us what we need to know, do  
23 we need more information, those types of things.

24           Then we'll move on to public and  
25 evidentiary hearings and that's where the

1 administrative law judge jumps in and so he will be  
2 conducting those. So we'll be back up here for some  
3 public hearings probably this fall that will involve  
4 both the certificate of need and the route permit  
5 questions. And then, as I mentioned before, the  
6 judge will write a report which goes to the Public  
7 Utilities Commission and then the Commission  
8 ultimately makes the decision on the question of  
9 need.

10 Now, this looks pretty similar. We have  
11 the added bonus of the environmental component over  
12 here and the alternative routes. And so a similar  
13 fashion. Another thing that's different about this  
14 one is the public information meeting. So that's  
15 where we are today. So you can see we're very early  
16 in the process. And so once we get past the  
17 alternative routes and the environmental analysis,  
18 we get to those public hearings, and that's where  
19 the two projects sort of merge back together. So  
20 when we do the public hearings, as I said, that will  
21 be related to both the route and the need question.

22 And this is our best guess on what the  
23 project timeline looks like. And, again, please  
24 note the word estimated, okay? Don't plan your  
25 vacation around these dates, they're not carved in

1 stone. Just based on our experience this is our  
2 best guess of when things might happen in this  
3 process.

4 So you can see we're only at step two  
5 here, the public information meetings. There's a  
6 number of other steps that need to happen before we  
7 get to January 2015 when we expect a decision by the  
8 Commission on both the need and the route.

9 So along the way there will be some  
10 opportunities for folks to participate. By  
11 attending meetings like this, by sending in written  
12 comments, attending the public hearings later on,  
13 and so forth. Typically, what's going to happen,  
14 when we have an open comment period, is what it's  
15 called, when we're asking for help, we need help  
16 with answers to some questions. Or when we hold a  
17 meeting, there's going to be a notice that tells you  
18 what's going on.

19 So I just wanted to pull out this old one  
20 from this case from back in November. So these  
21 questions have already been dealt with, it's just to  
22 give you an idea the type of information you might  
23 see in a notice like this so you know what to look  
24 for.

25 So, first off, again, that docket number.

1 Remember, I mentioned at the beginning, that's sort  
2 of the key to everything we do at the Public  
3 Utilities Commission. So when you communicate with  
4 us about this project, including the docket number  
5 is extremely useful. Make sure it goes into the  
6 right bucket. And that will always be included in  
7 the notice about a meeting or a comment period.

8 And the comment period will have a start  
9 and end date. So in this particular case, you can  
10 see, obviously, it's already past, but we want to  
11 make sure you pay attention to those deadlines.  
12 Once the deadline is past, any comments that come in  
13 after that are not likely to be considered in  
14 answering those questions. So even if you have  
15 really, really great information, if it's past the  
16 deadline it really can't be considered. Okay.

17 And then the last piece of information is  
18 the topics open for comment. And so like on the  
19 notice for today's meeting, you received some  
20 information about topics open for comment. On any  
21 notice that we publish we'll be telling you what  
22 questions we're looking for help with. So these are  
23 the things you want to focus your comments on when  
24 you receive one of these types of notices.

25 So tonight one of the things that Larry

1 Hartman with the Department of Commerce is going to  
2 spend a little time on is talking about alternative  
3 routes and route segments. That is one of the  
4 purposes of this current public information and  
5 comment period, is to gather information on  
6 alternative routes and route segments. And so there  
7 are some specific pieces of information that we need  
8 to help decide whether a route that you might  
9 propose is a viable alternative to something that's  
10 already on the table. And the deadline for  
11 submitting those is April 4th. And, again,  
12 Mr. Hartman will get into more detail about what's  
13 required there.

14 Now, if you're looking to stay informed  
15 about this project going forward, I know some of you  
16 are already on the e-mail or the mailing list, but  
17 there's some other ways that you can find  
18 information. We do have what we call an eDocket  
19 system, where all information that's submitted as  
20 part of this project is recorded. So, for example,  
21 when the company submits its application it goes  
22 into the eDocket system. And the eDocket system is  
23 public information, so folks can go in there and  
24 take a look at anything that is public.

25 Now, certainly there are some things that

1 companies submit as trade secret or privileged  
2 information, obviously the public doesn't have  
3 access to that, but most everything is public  
4 information. So you can certainly take a look and  
5 see what information the company has submitted, what  
6 information the Department of Commerce has  
7 submitted, what information other members of the  
8 public have submitted. All of that is going to be  
9 in that record. So these are the instructions to go  
10 ahead and view information in that system. And,  
11 again, you notice the key is those docket numbers.

12 Now, we also have the project mailing  
13 list. And there were some orange cards at the table  
14 when you came in if you'd like to sign up for that.  
15 You can receive information either by U.S. mail or  
16 by e-mail on the project mailing list. And that  
17 will give you information on future opportunities to  
18 participate in the process, whether that be  
19 meetings, comment periods, and so on. If you don't  
20 take an orange card tonight and you decide later  
21 that you want to sign up for that list, the  
22 information is included there on how to do that.

23 Now, if you want to receive an e-mail  
24 notice every time something new comes in, we also  
25 offer an e-mail subscription service. Now, for some

1 folks this is information overload, or if they don't  
2 like e-mail this isn't really for you. So for some  
3 folks it might be a little too much information and  
4 too many e-mails, but you can go ahead and  
5 self-serve and subscribe for this. You can also  
6 unsubscribe if you decide it's too much. If you're  
7 on the orange card project mailing list you don't  
8 also need to sign up for this, you just would want  
9 to choose one or the other depending on the level of  
10 information you'd like to receive.

11 And I've also just included a picture of  
12 what that page looks like when you go to subscribe,  
13 because sometimes people are confused or they say  
14 it's not very user-friendly, which is probably true,  
15 so I like to give you a little picture of what that  
16 looks like so you know what information you need to  
17 enter.

18 And, again, at the PUC, or the Public  
19 Utilities Commission, there is two folks that are  
20 working on this project. The first is me. Again,  
21 I'm Tracy, the public advisor. I'm certainly happy  
22 to respond to your questions or inquiries about how  
23 to participate or when to participate, where to find  
24 information. We also have an energy facility  
25 planner, that's Scott Ek. He is not here this

1 evening, but he's certainly happy to answer  
2 questions that you might have in terms of the  
3 technical aspects of the project.

4 And, with that, I'm going to turn it over  
5 to the applicant.

6 MR. BARRY SIMONSON: Thank you, Tracy.

7 Good evening, everyone. It looks like we  
8 have a lot of new faces in the crowd and I hope we  
9 have some productive questions tonight regarding the  
10 Sandpiper.

11 My name is Barry Simonson, I'm with  
12 Enbridge Energy out of Superior, Wisconsin. To my  
13 left we have John McKay with land services; Mr. Mark  
14 Curwin, executive group with execution; and outside  
15 counsel John Gasele representing Enbridge.

16 So let's get started here with the scope  
17 of work for Sandpiper. I'll go over it here. So  
18 Sandpiper is a 616-mile pipeline project with  
19 associated facilities that starts in western North  
20 Dakota around Tioga. The pipeline itself traverses  
21 easterly through North Dakota and then on into  
22 Clearbrook.

23 The pipeline diameter from western North  
24 Dakota to Clearbrook is 24-inch-diameter pipe,  
25 predominantly a .375-inch wall thickness. So that

1 means for Minnesota -- the North Dakota to Minnesota  
2 border to Clearbrook is about 75 miles of 24-inch.  
3 From Clearbrook there's a new terminal and the  
4 pipeline from that point is going south. The  
5 preferred route is going south through Park Rapids,  
6 the western part of Park Rapids and then east going  
7 easterly all the way to the Minnesota-Wisconsin  
8 border.

9 In terms of our schedule, what have we  
10 been doing up to this point? There's been a lot of  
11 field work done with regard to our right-of-way  
12 group, environmental, and civil surveys. We've done  
13 a lot of surveys this year. And with that, that  
14 goes into all of our preparation for design and all  
15 of our permitting, whether it's environmental  
16 permitting, regulatory permitting such as the  
17 Minnesota PUC, and other associated permits with  
18 road authorities, counties, the state, et cetera.  
19 So that's a lot of what we've been doing this year.

20 In terms of schedule. We're looking at  
21 potentially starting in the winter of 2014, '15 with  
22 some construction activities in Minnesota, as well  
23 as predominantly 2015 for most of the construction  
24 activities in the state of Minnesota with an  
25 in-service date of Q1 of 2016.

1           One other important factor, at least  
2           for -- well, the entire route, but more importantly  
3           for Minnesota, since we're talking about the route  
4           through Minnesota, is we're actually looking at  
5           collocating with existing utilities, whether it's  
6           Enbridge-owned or other utilities that we can  
7           traverse through, and I'll show you a map with more  
8           detail in a second here.

9           So this map shows the state of Minnesota.  
10          As you can see in the top left, that's the border of  
11          North Dakota and Minnesota. There's an existing  
12          line 81 that's owned by North Dakota Pipeline  
13          Company that heads east into Clearbrook currently,  
14          and the Sandpiper is going to collocate with that  
15          existing alignment. From Clearbrook down to Park  
16          Rapids, there are existing crude oil pipelines that  
17          we're looking to collocate next to going down  
18          through Park Rapids. And then from Park Rapids  
19          we're looking to route the pipeline adjacent to an  
20          existing Minnesota Power power line. And more  
21          specifically, in the counties of Cass and Crow Wing,  
22          we're looking at around 95 percent of collocation  
23          with that facility throughout these two counties.

24                 What are the project benefits? We looked  
25                 at a few things. This is North Dakota crude oil

1 coming out of the Bakken region, and what it does is  
2 we're trying to offset imports from countries that  
3 are unstable or unfriendly to U.S. markets.

4 Local jobs. During construction there  
5 will be a large influx of construction work. There  
6 will be people from the United States, not all from  
7 this area, but there will be local jobs that are  
8 going to be fulfilled. These are jobs, we're  
9 looking at restaurants, fuel, accommodations,  
10 et cetera. So there's going to be a big impact on  
11 the area.

12 And in terms of taxes, in 2011 the figure  
13 here shows that Enbridge paid \$34 million in  
14 Minnesota property taxes. When Sandpiper comes on  
15 line in Q1 of 2016, we're looking at an additional  
16 25 million to the State of Minnesota and associated  
17 counties.

18 We have three main goals at Enbridge.  
19 Safety, integrity, and respect. And in terms of  
20 that, our top priorities, operate our systems safely  
21 and reliably, and that all starts from the  
22 preparation of design and materials, and then on to  
23 our contractors and what we implement with them as  
24 far as safety specifications and installing the  
25 pipeline in a safe manner.

1           Secondly, we continually invest in safety  
2 technologies to protect our employees, residents,  
3 and natural resources. And the landowners, we  
4 strive for fair and equitable treatment of  
5 landowners alike.

6           Thank you again for attending, and  
7 hopefully we'll have a productive session tonight.

8           I'll turn it over to Mr. Hartman.

9           MR. LARRY HARTMAN: Thank you.

10           I'm trying to stand out of your way so  
11 you can see. Before I start, I guess, I've been  
12 informed we have to be out of the building by 9:30  
13 tonight. So that probably means we'll have to stop  
14 the meeting at 9:00. For those of you who would  
15 like to make comments, what I'd like to do is call  
16 on the people who haven't asked questions at  
17 previous meetings. If time, I'll certainly be glad  
18 to call on them also.

19           Out front we had some speaker  
20 registration cards, if you want to speak we'd ask  
21 that you fill out a card. You can also raise your  
22 hand. What we could do for those of you who didn't  
23 pick up cards, we can pass them along the aisles  
24 here and just periodically collect them and give  
25 them to me and I'll call them in the order I receive

1           them.

2                       Also, we are making an oral record of  
3 these proceedings. We have a court reporter here,  
4 her name is Janet. So if you do wish to speak,  
5 please identify yourself by name. Also spell your  
6 name for Janet so she gets it correctly. And once  
7 the meetings are completed and we have the oral  
8 record from Janet, that will be posted to our  
9 website and also to eDockets.

10                   It's pretty much the same presentation at  
11 every meeting. The questions are obviously  
12 different. So if you can't go to other meetings and  
13 you'd like to find out what is said in those  
14 meetings, you can review the oral records on  
15 eDockets or on our website when they're posted.

16                   Also, the court reporter will need a  
17 break so we'll take a brief break at 7:30 and then  
18 we'll continue until 9:00 and hopefully everybody  
19 will get the opportunity to ask their questions.

20                   I have a feeling I just forgot something  
21 here, I don't know what, though.

22                   This is a list of the meetings. This is  
23 the meeting in Pine River tonight, we met in Park  
24 Rapids this morning and afternoon, and tomorrow it's  
25 McGregor and Carlton.

1           As mentioned earlier, pipelines are  
2 reviewed by the Minnesota Public Utilities  
3 Commission for permitting authority. And as Tracy  
4 indicated, there are two dockets, one is a  
5 certificate of need docket and the other is a route  
6 permit docket. And they're basically parallel  
7 procedures, they run kind of in tandem.

8           However, when it comes to making a  
9 decision, the PUC has to make a decision on need  
10 first. If there's no need, then there's no route  
11 permit issued. If the certificate of need is  
12 issued, then a route permit would perhaps follow  
13 that, then, and that would be a decision made by the  
14 PUC.

15           This information meeting process, scoping  
16 process as we refer to it also, provides you with  
17 two opportunities. One, if you are affected by the  
18 pipeline, you also have an opportunity to propose  
19 additional -- an additional route and/or route  
20 segment. Some people might only have an interest in  
21 that as to how it affects their property; there are  
22 others out there who perhaps take a broader  
23 perspective, which might be more need related or  
24 else just the general location of the pipeline. So  
25 there are opportunities to participate at kind of

1 the level you're most interested in.

2 If you have an interest in proposing a  
3 route or a route segment, we ask that you do that by  
4 April 4th of this year. If you wish to submit  
5 written comments and not propose a route, you also  
6 have to do that by April 4th of this year also.

7 If you want to submit a route, we ask  
8 that you try to submit it on an aerial photo, a USGS  
9 map, a county highway map, a plat book. And Casey,  
10 who is -- Casey Nelson, would you raise your hand,  
11 Casey? She's back there waving. Casey has a series  
12 of maps back there. We also have plat books. If  
13 you go back and give her your name and address we  
14 can pull either a USGS map for you to 1:24 thousands  
15 scale, or an aerial photograph that shows Enbridge's  
16 preferred alignment across the entire state.

17 If you choose not to pull a map tonight  
18 you can also access those maps on our website. And  
19 our website is listed later on. We post the entire  
20 application there by each section, all the  
21 appendices, which includes, for example, the ag  
22 mitigation plan, the environmental mitigation plan,  
23 and a number of others.

24 We've also posted all of the maps as they  
25 appear in the application, the detailed application.



1 here a little bit late today, but we also have a  
2 guidance document back there which tells you how to  
3 make a route proposal. And we've also identified  
4 our criteria on the back. If you are familiar with  
5 the details of your land or whatever your interest  
6 is, please try to identify that and maybe use some  
7 of the criteria to support as to why you think it's  
8 a better place than perhaps what Enbridge has  
9 proposed.

10 If you have a question, you can also give  
11 Casey or myself a call. Our names, addresses,  
12 e-mail addresses and phone numbers are available in  
13 the PowerPoint you can pick up also.

14 For example, this is just an illustration  
15 of what you might submit in supporting your route.  
16 I won't dwell on this because you can read it,  
17 there's no point in me going through it. If there  
18 is specific issues or impacts, please identify that,  
19 or those. We've heard what a lot of those are from  
20 the crowds or people who have been attending the  
21 meetings so far.

22 And, again, if it's just a comment,  
23 that's fine, as to what you think about the project,  
24 where it should be, where it shouldn't be, or what  
25 the issues are, please try to identify them either

1 independent or associated with a route proposal.

2 And I've just prepared some examples of  
3 issues. It's not inclusive. Soil separation might  
4 be one, drain tile, soil compaction, organic  
5 farmlands, impacts on irrigation systems, crop  
6 losses and damages.

7 If there are residential plans for maybe  
8 building a second house on the property, industrial  
9 concerns, natural resource impacts, impacts on rural  
10 water systems, roads, streams, river crossings,  
11 wetlands, clearing of vegetation, wildlife, cultural  
12 resources.

13 And once the April 4th deadline arrives,  
14 we will take all the comments we've received as well  
15 as the route proposals and we'll organize the route  
16 proposals, present those to the Commission. Plus  
17 we'll also go through a summary of what all the  
18 issues were that were raised at these meetings and  
19 that will be addressed in the comparative  
20 environmental analysis also.

21 So the Commission has the ability to  
22 approve or disapprove the routes for consideration  
23 at the public hearing. They have to consider  
24 Enbridge's alternative. And typically the  
25 Commission has considered the routes that have come

1 in.

2 Now, coming back to that point again, we  
3 have a kind of review process, and for those of you  
4 who just send me something and there's no supporting  
5 rationale or reason, we might contact you and say we  
6 need a little bit more information. And Casey and I  
7 will try to assist you on that. And, again, that  
8 will be presented to the Commission and the  
9 Commission will then make a determination of what  
10 routes will be looked at and the hearings to be held  
11 later this fall.

12 After that is done, and we're going to  
13 retain a third-party environmental consultant to do  
14 the comparative environmental assessment for us,  
15 that will take three, four, five months to do, I  
16 would imagine, depending on whatever other issues  
17 may be raised, plus the ones that have already been  
18 identified for inclusion also. And the purpose of  
19 that will be to present objective information on  
20 what the potential impacts of the project are in the  
21 areas crossed by the line routes approved.

22 The comparative analysis basically is a  
23 written document describing the human and  
24 environmental impacts of all the pipeline routes  
25 accepted for consideration at the hearings and

1 methods to mitigate such impacts.

2 In the past, when the Commission has  
3 issued a pipeline routing permit there are  
4 conditions attached to that. There are also special  
5 conditions attached to that depending on the  
6 evidence in the evidentiary record.

7 Again, as Tracy mentioned, the hearing  
8 will be presided over by an ALJ. And there will be  
9 a first prehearing conference held next Monday in  
10 St. Paul at 10:00 a.m. in the morning. That will  
11 typically be attended by parties who have intervened  
12 in the proceedings. And there are two ways of  
13 intervening. One, just informally as a member of  
14 the public. If you wish to be a party you have to  
15 intervene. You're typically represented by counsel  
16 then. And the only thing intervention does, it  
17 guarantees you the right of final oral argument  
18 before the Commission when they make their decision.  
19 It also imposes obligations on you, too, as a party,  
20 and that will be dictated by the terms in the  
21 judge's prehearing orders.

22 Again, besides the PUC's jurisdiction,  
23 there are other state agencies as well as federal  
24 agencies that have downstream permitting authority  
25 for projects such as this. And they are Minnesota

1 Department of Natural Resources, they issue permits  
2 for crossing of public lands, public waters. And I  
3 believe DNR has indicated to me at this juncture  
4 that they plan on doing this in two permits. One  
5 for public lands, one for public waters. They also  
6 have to issue a water appropriation permit for  
7 hydrostatic test water.

8 The Minnesota Pollution Control Agency  
9 also has permitting authority, that's the storm  
10 water runoff, water discharge permits also.

11 The Minnesota Department of Health, for  
12 example, has a setback in their rules from water  
13 wells. It's 100 feet for petroleum pipelines.

14 The Minnesota Department of  
15 Transportation issues permits for road crossings.  
16 And road crossing permits would also be required  
17 from each county crossed by the project and each  
18 township or municipality crossed also for roads.

19 The Minnesota Department of Agriculture  
20 has a representative here tonight, Bob Patton, and  
21 Bob is kind of in the back there, running to the  
22 front there. Bob is there. Bob is representing the  
23 Department of Agriculture. And the Department of  
24 Agriculture does the authorization of the  
25 agricultural impact mitigation plan, or agricultural

1 protection plan also.

2 The other -- before I get to the last  
3 agency, U.S. Corps of Engineers was at the meeting  
4 today, they have permit authority for wetlands  
5 and -- excuse me, Army Corps of Engineers, I meant  
6 to say. And -- excuse me. A case of dry mouth  
7 here.

8 And the Minnesota Office of Pipeline  
9 Safety also is responsible for the safety side of  
10 the pipelines. Now, pipelines are regulated at the  
11 federal level by the U.S. Department of  
12 Transportation. The hazardous materials, basically  
13 it's Pipeline Safety at the federal level. And  
14 their authority comes through the Code of  
15 Regulations, parts 192 for natural gas lines, and  
16 part 195 for the liquid lines.

17 The Minnesota Office of Pipeline Safety  
18 is an authorized agent of the federal government for  
19 both intrastate and interstate pipelines. Primarily  
20 interstate covers natural gas. Liquid lines are  
21 subject primarily to state jurisdictional authority,  
22 but still subject to federal regulations. And you  
23 can find a lot of safety information on the  
24 Minnesota Department of Public Safety, Office of  
25 Pipeline Safety. Their website is listed as one of

1 the state agencies on the state agency handout, the  
2 last page.

3 If you want to find out where pipelines  
4 are located at in your county, they have a database  
5 that is broken down by product type, number of miles  
6 of pipeline in each county and for the entire state  
7 of Minnesota. And they're broken down, I think,  
8 primarily for security reasons. If you want to look  
9 at the entire pipeline from point A to point B, you  
10 won't find that information there unless the  
11 pipeline is just within one county. So you can find  
12 it, it takes a little bit of digging. The Federal  
13 Department of Transportation of Pipeline Safety also  
14 has safety information on their website organized by  
15 states. And typically the state and federal  
16 websites are linked together on that.

17 Again, we're responsible for doing --  
18 well, I'm on the Energy Environmental Review and  
19 Analysis staff. Our job will be to review the  
20 routes, route segments that will come in and  
21 summarize the results of these meetings for the  
22 Commission for items or issues to be considered and  
23 prepare a comparative environmental analysis.

24 If you want to contact me, U.S. mail  
25 works, e-mail works. If you have a color map and

1           you draw on it and you want to send it to me, that's  
2           fine. However, if you fax it to me it's going to  
3           come through as black and white. So if you have a  
4           color map, you're better off to either mail or  
5           e-mail it to me. Or a black and white fax works  
6           pretty well. You can also register comments via our  
7           website, which is listed on the next page, probably.  
8           Oops.

9                         Here on this website we have posted a  
10           number of documents, not everything. EDockets has  
11           everything related to the project, 13-474, and  
12           13-473 for the certificate of need. There will also  
13           be another docket and that's the ALJ docket number,  
14           but the ALJ will typically file his materials either  
15           on either of the two other dockets that I mentioned.

16                        On our web page you will find Enbridge's  
17           application. The entire application is there and  
18           all the photos are there. You want to look for  
19           February 15th listed as the updated application. In  
20           going to that, everything is laid out in a  
21           structured format so we tried to make it easy for  
22           you to find and access the information. If you have  
23           any confusion about that, please give Casey or  
24           myself a call and we'll try to work with you to  
25           answer your questions before the April 4th deadline.

1 If you have questions after April 4th, we'll still  
2 be available to answer those questions for you the  
3 best that we can.

4 So what I'd like to do is just open it up  
5 for questions and answers right now. I do have  
6 several cards and the first speaker I have is Greg  
7 Johnson.

8 MR. GREGORY JOHNSON: My name is Gregory  
9 Johnson. Oh, is this on? Is that better? Nope.  
10 Is that better?

11 My name is Gregory Johnson,  
12 G-R-E-G-O-R-Y, J-O-H-N-S-O-N. I live in Barclay  
13 Township, about approximately a mile and a half  
14 north of where the pipeline would cross the Pine  
15 River.

16 I'm a member of the board of Pine River  
17 Watershed Alliance, and so I'm quite concerned about  
18 potential spillings that might enter this watershed.

19 I have basically four questions. One is,  
20 most of the leaks that are detected in pipelines,  
21 which are inevitable, are not found by the pipeline  
22 company, but by the people living by the pipeline.  
23 I realize that there's a pressure drop for a finite  
24 distance on a pipeline. How sensitive is your  
25 instrumentation to detecting a leak from the

1 pipeline so that it can be determined and shut down  
2 automatically, rather than by somebody finding it?

3 My second question is, when you go across  
4 the Mississippi River or the Pine River or other  
5 waterways, do you go under or over and do you use  
6 extra protections in those areas?

7 My third question relates to Pine River.  
8 Since this town has shallow wells and the pipeline  
9 runs just to the north of Pine River, are there any  
10 special considerations given to any leakage that  
11 would occur and enter the Pine River drinking water  
12 supply?

13 And fourth, the pipeline goes just to the  
14 north of the Grinning Bear Landfill, and I'm  
15 concerned that soil disruption may cause some  
16 leakage from that landfill.

17 So those are my questions. Not  
18 necessarily on route, other than possibly moving the  
19 pipeline away from some of these areas.

20 Thank you.

21 MR. LARRY HARTMAN: Thank you.

22 MR. BARRY SIMONSON: Thanks for your  
23 questions, Mr. Johnson. This is Barry Simonson. I  
24 will try to answer the question in regards  
25 safeguards in areas such as crossing the Mississippi

1 River and Pine River.

2 Specifically, in terms of water  
3 crossings, we do a lot of design, that we work with  
4 our environmental group as well as environmental  
5 regulators that look at the water bodies, navigable,  
6 like the Mississippi River, what disruption could be  
7 caused if we crossed in various ways. So we do a  
8 few different types of crossings.

9 Specifically for the Mississippi River,  
10 rivers, it would be a directional drill, so we  
11 actually go underneath. At Pine River we will also  
12 go under the actual river itself.

13 In terms of pipe, wall thickness. The  
14 wall thickness in this area has the nominal wall  
15 thickness as being .469 at crossings that --  
16 crossings of rivers like the Mississippi River or  
17 potentially the Pine River, I don't know the exact  
18 method at that crossing, but I know we use a heavier  
19 wall thickness that goes from .531 all the way up to  
20 a .625-inch wall thickness.

21 In addition to that, on the main line  
22 there is a fusion bond epoxy that is used to protect  
23 the pipe itself, being that it's carbon steel. But  
24 at crossings that we directionally drill, we put on  
25 an additional coating called ERO, it's thicker, and

1           it's utilized so if there is any scratching that  
2 happens on the pipe based on the type of soil  
3 structure, it protects the underlay coating.

4           In addition to that, we do an intelligent  
5 balance placement study which looks at the amount of  
6 oil going in, going out, topography, locations that  
7 make sense. And we do an iterative process which  
8 then places valves on the route. Then, in turn, our  
9 engineering group looks at the areas in the field  
10 and says, well, this makes sense to put one here  
11 because all the valves have power to them and  
12 communications. So there's power and communications  
13 on the upstream or downstream side of valves, which  
14 can be monitored 24/7 from our control center.

15           In addition to that, when we do cross  
16 rivers, when we do a directional drill, we do a  
17 hydro test. So we actually do a pretest where we  
18 test the pipe with water at a high pressure that  
19 just is a safeguard for when we pull the pipe  
20 through. Then when we tie in wells on each side of  
21 the crossing. We hydro test that entire section,  
22 which then establishes the maximum allowable  
23 operating pressure for that pipeline.

24           In terms of a safety factor for the  
25 design factor for the actual pipe, in order for us

1 to establish the correct wall thickness there's a  
2 design standard in DOT part 195 which states that  
3 the design factor has to be .72 on the pipeline  
4 based on the maximum allowable operating pressure.  
5 And that's how we design the pipeline itself.

6 Did that answer your question? Part of  
7 your question?

8 MR. GREGORY JOHNSON: Part of it.

9 MR. MARK CURWIN: Thank you for your  
10 questions, Mr. Johnson. Again, my name is Mark  
11 Curwin.

12 With respect to ways in which we detect  
13 leaks, you're correct that one way is the -- is the  
14 local, somebody on the ground. By all means we rely  
15 on everybody along the right-of-way. But we also  
16 have very sophisticated computer technology that  
17 allows us to not only monitor the pressure profile  
18 of the pipeline as it's operated, it's monitored on  
19 a 24/7 basis with an individual sitting at a console  
20 watching the pipeline essentially operate all the  
21 time.

22 In addition to that, what we do, and  
23 without getting into the technology, what we do  
24 essentially is we are continuously measuring the  
25 amount of oil that's in the pipeline between two

1 points, and if that measurement gets off, so to  
2 speak, that would trigger an alarm, which would then  
3 result in an immediate investigation, and in most  
4 cases would result in a shutdown of the line.  
5 That's another way that we are able to detect leaks.

6 MR. GREGORY JOHNSON: How sensitive is  
7 that?

8 MR. MARK CURWIN: It's extremely  
9 sensitive.

10 MR. GREGORY JOHNSON: Why are most of the  
11 leaks found by other people?

12 MR. MARK CURWIN: I can't speak to that.  
13 I can tell you that the most common cause of a leak  
14 is contact of the pipeline by a third party, like an  
15 excavator or somebody digging, things like that.

16 MR. DAVE SNESRUD: How far apart are your  
17 valves, or whatever? You said they would  
18 automatically shut down, how much oil --

19 MR. LARRY HARTMAN: Would you come up to  
20 the microphone, sir? Why don't you pick up the one  
21 laying on the table.

22 MR. DAVE SNESRUD: Dave Snesrud,  
23 S-N-E-S-R-U-D. 5595 Ferris Road, Crooked Lake  
24 Township.

25 You said that you have shutoff valves

1           that will automatically shut off. My question was  
2           how much oil goes between those, how much could  
3           potentially leak?

4                     MR. BARRY SIMONSON: That's a good  
5           question. I can answer a question in terms of --  
6           and when you were sitting down I heard the first  
7           question, it was the spacing between, right?

8                     MR. DAVE SNESRUD: That's right.

9                     MR. BARRY SIMONSON: So in the state of  
10          Minnesota right now we're looking at, out of the 37  
11          valves, excluding the terminals, Clearbrook,  
12          et cetera, we're looking at 22 valves in Minnesota.  
13          So if you take that 300 miles in Minnesota between  
14          the 24- and 30-inch, I think you're looking at 17  
15          miles in between valves.

16                    Now, that's just an average. There is a  
17          design criteria that goes into that which takes into  
18          account the topography, the pressure, the flow, the  
19          sensitivities of navigable water bodies, population  
20          centers, high consequence areas, that all plays into  
21          the intelligent valve placement study. And they  
22          take the volume in, volume out, which I can't give  
23          you exact numbers at this point in time, but that's  
24          how they're placed. And like I mentioned earlier,  
25          our engineering group goes and plans out where they

1           make strategic sense based on power and  
2           communications.

3                     Does that answer part of your question?

4                     MR. DAVE SNESRUD: Well, not well.

5                     MR. ART HASKINS: Barry, did you want me  
6           to answer that?

7                     Okay. My name is Art Haskins, I'm with  
8           Enbridge North Dakota, I'm an emergency response  
9           coordinator for our North Dakota region.

10                    And so to address that, how much is in  
11           between, it varies depending on the valves and the  
12           location of the topography, as Barry said. The  
13           amount, the worst-case discharge is calculated along  
14           the whole route, and that's the area, that's the  
15           amount that's prepared for then, that's reported to  
16           PHMSA. And they tell us and we tell them based on  
17           the calculations how long it takes to depressure the  
18           line and shut the valves in between those, how much  
19           could potentially come out of the pipe at any given  
20           point. And then we prepare for a release with us  
21           and our contractors and our equipment to address the  
22           worst-case discharge for that pipeline.

23                    Because this is new and the route is not  
24           firm yet, we can't give an exact amount of the  
25           number. But I can tell you that, as Barry said,

1 with the valves being placed at sensitive areas such  
2 as water crossings, then you're looking at a shorter  
3 distance between those water crossing areas and a  
4 significantly smaller amount of product would be  
5 released in that area. So that's the best answer  
6 that we can give at this time as far as the amount.

7 Just because the valves are further  
8 apart, that's where that topography comes in. It  
9 does not mean that there would be a significantly  
10 larger amount of product release in between there.  
11 It's not going to flow uphill. So that's a big part  
12 of that process, figuring out where those valves  
13 need to be placed, is the topography.

14 Also, when you close off a valve, you  
15 don't just close one valve, you close -- we call it  
16 a double block, so we close valves on both sides and  
17 shut down the pump first, monitoring the pressure so  
18 we don't have any pressure on the line. The other  
19 part of that, then, is that you form like a seal on  
20 the end of that. So even if it is downhill, it's  
21 not going to all come running out the end. Just  
22 like if you put your finger over a straw, it's not  
23 going to run out back into the glass. So there is  
24 that process in place to do that and you can go in  
25 and remove that oil from that line. So it's not

1 going to all run out even if there's a large number  
2 of miles in between there.

3 MR. LARRY HARTMAN: The next speaker card  
4 I have is Barbara Kaufman.

5 MR. GREGORY JOHNSON: I have two more  
6 questions I did not get answers to, and I'd like to  
7 be a little more technical --

8 COURT REPORTER: A reminder of your name,  
9 please.

10 MR. GREGORY JOHNSON: My name is Gregory  
11 Johnson. I'd like to be a little more technical on  
12 this leakage problem.

13 You obviously have booster pump stations  
14 along the line, you have a definite pressure drop  
15 per mile. How sensitive are your gauges as far as  
16 pressure drop is concerned? That's my question.  
17 You can measure the flow, but you also, I'm sure,  
18 monitor the pressure drop. And then the other two  
19 questions that weren't answered was water and  
20 Grinning Bear landfill.

21 MR. ART HASKINS: I'll let Barry answer  
22 the routing for the landfill.

23 I can tell you that the pressure is  
24 accurate to the pound. Now, obviously, a pound  
25 change can be from temperature and those types of

1 things. But they know to the pounds per square inch  
2 what the pressure is in the pipeline at all times.

3 And as far as the flow in and flow out,  
4 it's down to .001 percent of the total amount of  
5 flow, but you can set it anywhere along that. So we  
6 set it for around a percent or a half a percent and  
7 it measures that every five seconds. So you'd have  
8 to take the total amount of flow, divide that down  
9 to get your five-second rate. If it's at its  
10 maximum flow, your five-second rate. And then it's  
11 not a one-time thing, so if it's just below that one  
12 percent it would pick it up in the next five seconds  
13 in that as far as the flow.

14 So, so many gallons in, so many gallons  
15 out on the other side of it. It measures that  
16 statistical thing, so it's not just a straight  
17 balance. It's not an actual measurement of a cup in  
18 at one end and a cup out of the other one, there's a  
19 wave process as it flows through the system so it  
20 can identify a very small amount.

21 Once again, I'm not sure on, given the  
22 published amount, what that would be or what that  
23 would be set at exactly. I can tell you that on our  
24 current line, 210,000 barrels a day, the accuracy is  
25 down to the gallons. When they flood an area or

1 commission it, as low as five gallons out will set  
2 off that alarm. When they flood it to a pig trap  
3 where they're sending tools through the line, that  
4 will also trigger that alarm. So they can notice  
5 those types of smaller amounts out, even if there  
6 isn't a significant pressure change at that point.

7 MR. BARRY SIMONSON: Thanks, Art.

8 Mr. Johnson, I guess, in terms of your  
9 question regarding the landfill, if you want to  
10 repeat that, I would appreciate it. Otherwise we  
11 can meet during the intermission and go over that  
12 and I can address it in more detail with the group.  
13 Would that work? Okay.

14 MR. GREGORY JOHNSON: What about Pine  
15 River's water supply?

16 MR. BARRY SIMONSON: If there are shallow  
17 wells that are encountered, in terms of the Pine  
18 River area, we use special consideration for  
19 construction. And also with regard to our  
20 environmental surveys would pick that up and we'd  
21 make sure we mitigate that issue if it arises.

22 MR. GREGORY JOHNSON: Okay. I'm  
23 concerned because we used to have a golf course just  
24 to the north of the city and we had to be extremely  
25 careful what we applied to the golf course because

1 of the shallow wells. In Pine River you're only  
2 going to be a little over a mile further north of  
3 that, so the entire city's water supply could be  
4 severely at risk with a leakage.

5 MR. LARRY HARTMAN: The next speaker card  
6 I have is Barbara Kaufman.

7 MS. BARBARA KAUFMAN: I'm Barbara  
8 K-A-U-F, like in Frank, M-A-N. I live in Royalton  
9 Township and I have family who lives in Pine River  
10 Township.

11 I have two questions. One is, when there  
12 is a spill, who is responsible for cleaning it up  
13 and compensating for any losses? And how is this  
14 enforced? And what assurances do we have that this  
15 will be different from the spill in the Kalamazoo  
16 River, where after three years it is still not  
17 cleaned up?

18 My second question is the proposal has an  
19 increase in the diameter of the line from 24 to 30  
20 inches and I would like to know why. And whether  
21 tar sands oil will be going through this line and,  
22 if not, what guarantee do we have that it won't be?  
23 And I feel this is real critical because of the  
24 higher toxicity of tar sands oil.

25 MR. MARK CURWIN: Thank you,

1 Mrs. Kaufman.

2 With respect to liability, if something  
3 were to happen on your property, we are responsible  
4 for it. We're responsible for all of it. We're  
5 responsible for cleaning it up, we're responsible  
6 for the costs of any of the regulatory agencies who  
7 would respond to the incident, and we're responsible  
8 to compensate you for any damages that would occur  
9 to your property.

10 And that is exactly what has happened in  
11 Kalamazoo. We took full responsibility for that.  
12 And, yes, we're still there now, we're still there  
13 now because we agree with the regulators that  
14 there's still work to be done. And we will be there  
15 as long as necessary to address any concerns that  
16 the residents or the regulators have in Kalamazoo.  
17 And we would do the same anywhere on our system. We  
18 don't just respond and walk away. We will be there  
19 as long as necessary to address any issues that  
20 might arise from an incident.

21 And with respect to the increase in size  
22 at Clearbrook, I'll let Barry speak to that.

23 MR. BARRY SIMONSON: In terms of that  
24 question with the upsize in the diameter, right now  
25 the existing line 81, which is -- which goes from

1 western North Dakota to Clearbrook, has a capacity  
2 of about 210,000 barrels per day. Right now there's  
3 60,000 barrels that flow on the MinnCan pipeline  
4 that goes to the metropolitan area for refining.  
5 The delta, that 150,000 barrels -- which all comes  
6 from North Dakota, the Bakken crude, it is not from  
7 Canada -- that all then is going to go into  
8 Sandpiper. So that 225,000 barrels a day that goes  
9 from western North Dakota to Clearbrook, add 150,000  
10 barrels on that, that's why I get 375 for Sandpiper,  
11 hence the need for a 30-inch diameter pipeline.

12 MR. LARRY HARTMAN: The next speaker card  
13 I have is Ron Vegemast, V-E-G-E-M-A-S-T.

14 MR. RON VEGEMAST: Yes, sir. I am Ron  
15 Vegemast, and he spelled it correctly, and I hope  
16 you have that.

17 I have a home at 1227 Sunset Hill Road  
18 Northeast in Outing, and that's in Crooked Lake  
19 Township, Cass County. It's near the end of --  
20 north end of Roosevelt Lake, it's near the entrance  
21 of the Spring Branch Creek into Roosevelt Lake, it's  
22 just over a half a mile south of the proposed route.

23 I'm a retired consulting engineer and I  
24 remain licensed as --

25 UNIDENTIFIED: Hold your mic closer,

1 please.

2 UNIDENTIFIED: Hold it to your mouth.

3 MR. RON VEGEMAST: Is it on?

4 I remain a licensed registered  
5 professional engineer here in the state of  
6 Minnesota. My purpose in being here this evening is  
7 to submit some written comments as part of the  
8 hearing process. I understand that in addition to  
9 appearing we can submit written comments and I do  
10 have them here in an envelope.

11 The comments are in two forms. One is a  
12 position paper dated February 8th. I previously  
13 submitted that to you, Mr. Hartman, and the  
14 attachment as an e-mail. I'm not sure exactly what  
15 happened to it, I have no understanding whether you  
16 actually received it. I know it does not come out  
17 as part of the comments that have been distributed  
18 to people that are on the eList.

19 The second thing is I have an amendment  
20 to Section 3 of that position paper. Section 3  
21 outlined a concept for an alternate route. The  
22 amendment is a detail, a set of details in regard to  
23 that route.

24 Primarily, the concern that we have is  
25 related to the risks associated with a spill. And

1 we've heard from the North Dakota Pipeline Company  
2 personnel about all the wonderful equipment they  
3 have, and I'm sure they do have it. But they also  
4 have a record in the past of confusion at control  
5 stations as to what is actually happening on the  
6 pipelines. And spills do happen, and sometimes they  
7 are quite dramatic. A split in a pipe can release  
8 an awful lot of oil. And you just don't shut off a  
9 valve when you've got 132,000 tons of oil going down  
10 a 32-inch pipeline without rupturing that pipe way  
11 back to somewhere. So it can take hours to shut  
12 that pipe down and an awful lot of oil can flow  
13 through that pipe in that amount of time.

14 In that position paper I have an  
15 extensive section on risks. Unfortunately, while  
16 it's as detailed as I can make it, it is expressed  
17 only in general terms. I would love to be able to  
18 express that to you in statistical probabilities.  
19 However, since I've closed my office several years  
20 ago and retired, I no longer have the statistical  
21 software that I need to present to you any  
22 percentage certainties of any particular size spill  
23 over any period of time. But other people could do  
24 that.

25 The amendment to the position paper is a

1 suggested alternate route. It extends all the way  
2 from the Red River of the North, where the pipe is  
3 to enter the state of Minnesota, to the terminal,  
4 the Enbridge terminal in Superior, Wisconsin. It  
5 consists of ten segments, nine of those are direct  
6 point-to-point segments, the tenth would be in  
7 Carlton County for the approximate 40 pipe miles at  
8 the end of the proposed route by the North Dakota  
9 Pipeline Company.

10 It would require locating the new pumping  
11 station in the terminal facility instead of west of  
12 Clearbrook to a location on Minnesota Highway 1 six  
13 miles west of downtown Thief River Falls.

14 The amendment is fairly detailed and  
15 includes 11 maps for the nine segments. I have  
16 provided as much supporting data as I'm able to  
17 provide to you as part of that amendment. There's a  
18 great deal of data in there, there's four large  
19 tables. I've provided you with latitude and  
20 longitude of each of the end points of the straight  
21 line segments. I've calculated the length of each  
22 of those segments to a hundredth of a mile, or  
23 roughly plus or minus 50 feet.

24 To give you some significant idea of the  
25 comparative aspects of the route that I suggested

1 for you to consider and the proposed route by the  
2 North Dakota Pipeline Company. First of all, in  
3 terms of length, the proposed route in Minnesota,  
4 including the 24-inch and 30-inch pipes is 299  
5 miles. My suggested alternate route is 328 miles,  
6 it's 29 miles longer. Both routes in that entire  
7 distance across Minnesota cross five railroads. By  
8 my calculation of roads, and I'm not sure I get  
9 there exactly, but it's pretty close. The proposed  
10 route has 226 road crossings and my suggested  
11 alternate is 140 road crossings. Neither route  
12 touches any national park. Neither route touches  
13 any state park. Neither route touches any native  
14 areas, native areas in the Indian reservation areas.  
15 Neither route touches any national wildlife refuge  
16 area. Neither route touches any national forest  
17 area.

18 Now, beyond that, the route that is  
19 proposed by the North Dakota Pipeline Company has  
20 4.8 miles across a state wildlife management area,  
21 the route I suggested has 29.9 miles. In terms of  
22 state forest, the proposed route has 24.2 miles, the  
23 route that I've suggested has 107.2 miles. Both  
24 routes cover the same two and a half miles of rock  
25 construction. The proposed route crosses the

1 Mississippi River twice. The suggested alternate  
2 route does not cross the Mississippi River at all.

3 The proposed route has a shared utility  
4 route for 164.6 miles, where my suggested route is  
5 approximately 18 miles. I'd like to point out to  
6 you that, yes, it does make sense quite often to  
7 route multiple utilities along the same route.  
8 However, there is a big difference between a  
9 long-distance high voltage transmission line,  
10 electric transmission line and a pipeline carrying  
11 hazardous materials. The longest electric  
12 transmission line doesn't flood a watershed with  
13 electric energy when a tower blows down in a storm.

14 The -- let's see here. Okay. The  
15 proposed route -- or the suggested route has more  
16 winter construction. And I realize that adds  
17 additional cost. It would require construction of  
18 more access roads and I know that adds costs.  
19 However, the major consideration, and I would refer  
20 you to Section 2 of the basic position paper, is in  
21 regard to the risk. And that could be catastrophic.  
22 So the real issue is comparative risk, as far as I  
23 see it.

24 And the proposed route has thousands of  
25 property owners at risk. There are far, far fewer

1 along the route that I've suggested. There's  
2 generally lower property valuations on that property  
3 along the route I've suggested. Compared to the  
4 proposed route, the suggested route has just nothing  
5 compared to the catastrophic risk to the White Fish  
6 chain, Big Sandy Lake or even Roosevelt Lake, where  
7 I live.

8 In the position paper I gave an estimate  
9 of real property that could be damaged in just the  
10 White Fish chain in Crow Wing County alone of a  
11 billion dollars. I did that on the basis of looking  
12 at the miles of shoreline and making a rough  
13 estimate of how many private properties there are  
14 per mile by looking at a couple of lakes and  
15 multiplying that times an average property value of  
16 \$300,000. I've since been told that I'm way off.  
17 That the value of property on the White Fish chain  
18 of lakes alone, real property, is close to \$2  
19 billion.

20 In terms of standing up for  
21 responsibility for property loss of that magnitude,  
22 I would just point to you that Freedom Industries in  
23 Charleston, South Carolina filed for bankruptcy when  
24 the first lawsuit showed up on their doorstep. I  
25 note that the North Dakota Pipeline Company is an

1           LLC that is owned by Enbridge Energy Limited  
2           Partners and Marathon Oil, and I'm not so sure  
3           they're going to stand for \$2 billion of property  
4           loss in addition to cleanup.

5                     I began a petition two and a half weeks  
6           ago to ask people who looked at my position paper if  
7           they would sign a petition in favor of it, and I  
8           expect to submit that to the staff by April 4th.

9                     Now, I know that there are people who are  
10          opposed to the suggested route. I've identified six  
11          of those that I'd like to just run through them very  
12          quickly for you.

13                    The first is the North Dakota Pipeline  
14          Company. And they're going to be concerned about  
15          higher cost. It's 29 miles longer. They indicate  
16          that the 299 miles of pipeline in Minnesota will  
17          cost about \$1.2 billion. By the time you take out  
18          pumping stations and other facilities I estimate  
19          that the average cost per mile to construct this  
20          pipeline is about \$2.75 million, that means my extra  
21          30 miles is something in the neighborhood of 82 and  
22          a half million dollars. If there's 150 miles  
23          additional winter construction and access roads, if  
24          you had an incremental extra cost to construct  
25          because of those two factors of \$2 million, that

1 adds another \$300 million, a total of 382 and a half  
2 million dollars.

3 In the position paper, I just said  
4 suppose that the incremental additional cost is \$660  
5 million, that's all borrowed money paid off in 20  
6 annual installments at 6 percent, divided by 375,000  
7 barrels of oil a day it comes out to 42 cents a  
8 barrel or one cent a gallon. I'd say that's  
9 insignificant to the purchases of refined products  
10 in the Midwest and eastern Canada where this oil  
11 will end up.

12 In addition to that, it's, you know, you  
13 can't even measure that against what's reported as  
14 \$11 a barrel to ship the oil by rail. And it's much  
15 safer to do it this way.

16 A second person who would probably favor  
17 the proposed route is the Minnesota DNR, primarily  
18 because my suggested route crosses many more miles  
19 of wildlife management area and state forest.

20 Third, I know there are people out there  
21 who own land, and even though this would be  
22 collocated alongside other utility right-of-way, the  
23 pipeline will require adding 40 to 70 feet of  
24 right-of-way. And somebody could sell a 50-foot  
25 strip across a 40-acre quarter section and that's,

1           you know, an acre and a half of land. In this part  
2           of the world, it's maybe 2,000 an acre, 3,000 an  
3           acre, and after tax they can make \$3,000 by selling  
4           a little land.

5                        The fourth one is businesses and their  
6           employees. We've already heard that there will be a  
7           lot of people involved in the construction, they're  
8           going to buy meals, they need motel rooms, they need  
9           gas for their trucks, everything else.

10                      Then there are state and local government  
11           taxing authorities. We heard from the North Dakota  
12           Pipeline Company people about the taxes, an  
13           additional \$25 million in taxes. That's going to be  
14           split up between a lot of counties, a lot of  
15           townships, a lot of school districts. The state's  
16           going to take a chunk of that, there are other  
17           taxing districts as well. I don't see that \$25  
18           million being a major consideration, yet a lot of  
19           governments are going to look at that and I think  
20           that's shortsighted.

21                      Then we have, of course, the property  
22           owners near suggested alternate routes. And I spent  
23           a good deal of my professional career dealing with  
24           NIMBY, you know, not in my backyard. And so you  
25           propose an alternate route, you run into a different

1 group of people who say I don't want that route  
2 here, give me a different route from that. But I go  
3 back to you and say there are very few people who  
4 live along the route if you look at the one that I  
5 suggested to you. So I get back to my last point,  
6 and that's the real issue, is the comparative risk  
7 between the proposed route and my suggested  
8 alternative.

9 And, with that, if there's any questions,  
10 I'd be happy to answer. Otherwise, who do I  
11 submit -- I have one printed copy and an electronic  
12 copy of both the position paper and the alternate  
13 routes, it includes 11 maps and all the other data.

14 MR. LARRY HARTMAN: I would say you  
15 should give them to Janet. I'd be glad to take them  
16 and make a copy and send it to Janet or Janet can  
17 take it with her.

18 MR. RON VEGEMAST: Okay. All right. Do  
19 you have any questions, or anyone else?

20 MR. LARRY HARTMAN: I do. Did you say  
21 you sent me an e-mail on February 8th or March 8th?

22 MR. RON VEGEMAST: February 21st.

23 MR. LARRY HARTMAN: I've tried to  
24 acknowledge e-mail when people have asked me if I've  
25 received it. I can't say I've checked all of my

1 e-mail, I've been getting a lot lately, so I'm  
2 behind in that front. If you want to -- I don't  
3 have my computer with me, it's back in the hotel,  
4 but I can go in and check. If I don't have it, is  
5 there a way I can contact you so you can send it to  
6 me electronically?

7 MR. RON VEGEMAST: I have a copy right  
8 here, an electronic copy of both the position paper,  
9 which is what I had sent to you, and the eminent.

10 MR. LARRY HARTMAN: I have a vague  
11 recollection of receiving it. I just can't say with  
12 100 percent accuracy because I've had a lot of  
13 comments come to me already.

14 MR. RON VEGEMAST: I appreciate the  
15 answers you gave to me to some of my questions.  
16 Thank you.

17 MS. TRACY SMETANA: You're welcome.

18 MR. LARRY HARTMAN: It's just about 7:30.  
19 Why don't we take our break now, it's 7:25, why  
20 don't we reconvene at 20 minutes to 8:00, so that  
21 will be 15 minutes from now. Thank you.

22 (Break taken from 7:25 to 7:40.)

23 MR. LARRY HARTMAN: We have five more  
24 speaker cards. If we can perhaps honor five  
25 minutes, then if you want to speak again as time

1 permits we'll encourage you to do so.

2 The next speaker card I have is for  
3 Charlie Makidon. Did I pronounce that correctly?

4 MR. CHARLIE MAKIDON: Yes, sir.

5 MR. LARRY HARTMAN: I got lucky, then,  
6 didn't I?

7 MR. CHARLIE MAKIDON: Thank you very  
8 much. My name is Charlie Makidon. I live in Gail  
9 Lake Township, a little notch out of Crow Wing  
10 County where the pipeline is going to come through.

11 COURT REPORTER: Can you spell your name,  
12 please?

13 MR. CHARLIE MAKIDON: M-A-K-I-D-O-N. I'm  
14 speaking for myself only.

15 The pipeline is going to be going through  
16 our area, just a little tiny bit of it. And this  
17 gentleman here earlier spoke about three aspects  
18 that they hope to follow. One was safety, one was  
19 respect, and I forget the third one. It doesn't  
20 pertain.

21 My question pertains to respect. I'm  
22 going to make this very short. Surveyors contracted  
23 by the pipeline company have been working in my area  
24 last fall. In Minnesota we have a deer season three  
25 weeks in November. And when you get up in the

1 morning and you go out to your deer stand and you  
2 find eight guys walking around, tromping around in  
3 the woods with no orange on at all, absolutely none,  
4 and all kinds of surveying equipment, they even had  
5 a drilling rig out there, I imagine it was for soil  
6 sampling or something like that, they lost respect  
7 for the area.

8           And when I talked to the supervisor of  
9 that, I'm sure it was a subcontractor, you're  
10 probably going to have a dozen subcontractors. When  
11 I talked to the supervisor he said, well, my guys  
12 got to be back in Missoula, Montana for  
13 Thanksgiving. Tough shit for us guys. Anyway, as  
14 long as this guy got to Thanksgiving dinner seemed  
15 to be the attitude. And I think -- I don't think  
16 you knew about that. And I don't think you,  
17 probably not, would put up with it if you did know  
18 about it. But I'd like to bring it to your  
19 attention early in the program, you know, so that it  
20 can be addressed with the rest of your  
21 subcontractors.

22           That's all. Just, you know, everybody I  
23 talked to up in that area, I can't speak for them,  
24 but everybody I've been talking to is all for it,  
25 we're all for your pipeline. Just treat us with

1 respect and everything is fine.

2 Thank you very much for that.

3 MR. MARK CURWIN: Thanks.

4 MR. LARRY HARTMAN: The next speaker I  
5 have is Mark, S-K-J-U-L-S-V-I-K. I would have  
6 butchered it if I tried to pronounce it.

7 MR. MARK SKJOLSVIK: It is actually  
8 S-K-J-O-L-S-V-I-K. I'm an elected supervisor with  
9 Crooked Lake Township.

10 And one of my questions has already been  
11 answered, but I have another question.

12 Does Enbridge have a contingency fund to  
13 mitigate accidents specifically to this proposed  
14 pipeline? And if so, what is the amount of that  
15 fund and who holds that fund?

16 And then my second question is what is  
17 North Dakota Pipeline Company's relationship with  
18 Enbridge, and if there is a contingency fund, does  
19 that also cover that?

20 MR. MARK CURWIN: Thank you, Mark.

21 With respect to your first question, no,  
22 there is not a contingency fund for this project.  
23 With respect to your second question, the North  
24 Dakota Pipeline Company is essentially a joint  
25 venture between Marathon and Enbridge, as was noted

1 earlier. It is, as part of the project, in  
2 discussions, commercial discussions with Marathon,  
3 who is one -- who will be one of the anchor shippers  
4 on the pipeline, should it be approved. We entered  
5 into a commercial arrangement with them where they  
6 have taken an interest, they will pay for part of  
7 the pipeline project, as well as they took an  
8 interest in our North Dakota assets. And once that  
9 occurred, we then changed the name to what it is  
10 now.

11 MR. LARRY HARTMAN: The next speaker card  
12 I have is Bob Holman from Outing.

13 MR. BOB HOLMAN: I just have -- is this  
14 on? Now is it?

15 I just have a question in general  
16 regarding the pipe itself, because how deep on  
17 average is it buried? And how long are the  
18 segments? And when they're welded together, I  
19 assume that there's some kind of a pressure test and  
20 safety margin, and do you prove it above the safety  
21 pressure itself? And then the last one is when is  
22 the line tested?

23 I probably can assume that each segment  
24 is tested, but when you put it in the ground, when  
25 is it pressure tested? And then just a general

1 question I had is why not use existing pipeline out  
2 of Bemidji?

3 Thank you.

4 MR. LARRY HARTMAN: Why don't I answer  
5 the first part of your question on depth of burial.

6 Federal regulations for pipeline safety  
7 require a minimum depth of burial of 36 inches. And  
8 that's from the top of the pipe to the top of the  
9 ground. And in Minnesota the legislature passed  
10 legislation, I believe it was in the late '70s, and  
11 it requires a depth of burial of 54 inches in  
12 Minnesota across agricultural land, and it also  
13 requires a depth of burial of 54 inches across  
14 drainage ditches and roads. It does have a  
15 provision where people can waive that. However,  
16 that has to be clearly stated on the back side of  
17 the easement agreement in plain English and signed  
18 or initialed by the property owner.

19 If you're going through bedrock it's a  
20 little bit different depth of burial, I think it's  
21 18 inches in bedrock, if I remember correctly. Is  
22 that correct, Barry?

23 MR. BARRY SIMONSON: That's correct.

24 MR. BOB HOLMAN: Well, if it's less than  
25 54 inches you get frosting. So doesn't that put

1 stress on the pipe itself?

2 MR. BARRY SIMONSON: No. I can answer  
3 this. If you look at the application, the  
4 temperature of the oil -- and, actually, it really  
5 wouldn't matter with regard to if it was natural gas  
6 or crude oil such as this pipeline. 48 inches,  
7 obviously, in Minnesota, in some instances the frost  
8 goes down that deep like the winter like we have  
9 now. But in terms of the design criteria and the  
10 stresses that go into the calculations for depth  
11 of -- or not only that, but the federal regulations,  
12 as well as Minnesota PUC overriding that from a  
13 48-inch to a 54-inch depth of cover, allows for that  
14 depth of cover for stress-related issues, when it  
15 comes to frost at certain depths of cover, such as  
16 48 inches to 54 for a pipeline itself, such as  
17 Sandpiper or any other existing pipelines that we  
18 have in service.

19 MR. BOB HOLMAN: So what's the  
20 temperature of the oil that goes through it?

21 MR. BARRY SIMONSON: I believe it's  
22 between 45 to 60 degrees Fahrenheit.

23 Okay. I've got everything else written  
24 down that I can answer. In terms of the pipe  
25 itself, the joint lengths are around 80 feet, they

1 can vary between 72 to 80 feet based on when they're  
2 made at the mill.

3 MR. BOB HOLMAN: Say again?

4 MR. BARRY SIMONSON: 72 to 80 feet  
5 joints.

6 In terms of welding, you asked a question  
7 about welding. Right now in Minnesota, if you look  
8 at the 24-inch and the 30-inch, the 24-inch  
9 predominantly is manually, the welders manually weld  
10 each joint. The 30-inch we're looking at either  
11 welding mechanical, where it's actually mechanically  
12 welded. Once the welds are complete there is a code  
13 requirement in part 195 that requires 10 percent of  
14 each weld to be inspected each day by each welder.  
15 So 10 percent of each weld needs to be inspected by  
16 x-ray or nondestructive testing. What we have as  
17 part of the application is we have 100 percent  
18 x-ray. So every weld that is conducted has been  
19 x-rayed 100 percent.

20 Lastly, in terms -- not lastly. The  
21 third question in terms of testing. So each  
22 segment, and we plan out our segments based on the  
23 maximum allowable operating pressure that we need to  
24 establish for this pipeline, which is 1,480 psig.  
25 That said, the testing requirements that we impose

1 in our specifications is we'll test that pipeline  
2 with water at a pressure of about 100 to 110 percent  
3 of SMYS, which is specified minimum yield strength.  
4 So what that is is essentially the pressure that we  
5 have to establish on an eight-and-a-half-hour test  
6 that, then once that's successfully completed, that  
7 establishes that maximum allowable operating  
8 pressure.

9 In terms of the segments themselves, it  
10 isn't the entire 299 miles that's tested at one  
11 point in time. It's based on pressures, topography,  
12 that changes the pressure based on elevations,  
13 segment lengths, and then a break point, if that  
14 makes sense, because we have testers on both sides  
15 of those segments that we test.

16 In terms of timing, what we like to do  
17 predominately is test either at night or on weekends  
18 if we can.

19 Did that answer your question on  
20 hydrostatic testing?

21 And then the last question, in terms of  
22 why didn't we route this to the Enbridge corridor  
23 that exists going through Bemidji, Grand Rapids,  
24 Cohasset, et cetera. We did look at that, and there  
25 are six to seven pipelines in that existing

1 corridor. And so we looked at that, and being that  
2 there's that many pipelines, there is not a lot of  
3 room for construction, there's more congestion, more  
4 population centers going through Bemidji, going  
5 through Cass Lake, going through Grand Rapids and  
6 Cohasset.

7 In addition to that, there's the Chippewa  
8 National Forest, and there's another infrastructure  
9 that's been built up within that course that would  
10 then cause additional reroutes that would encumber  
11 more land within the Chippewa National Forest. So  
12 the southern route that we've chosen, many of those  
13 factors are eliminated based on the route selection.

14 MR. BOB HOLMAN: So you don't actually  
15 dig each segment of pipe in, you feed it in with  
16 like a ditch witch, or whatever that bigger piece of  
17 equipment is called?

18 MR. BARRY SIMONSON: It is either  
19 excavated with a track hoe. The soils here in  
20 Minnesota predominately wouldn't allow for a wheel  
21 ditcher, if you will, that would get a vertical  
22 trench so we could lay the pipe in. Those areas are  
23 open cut using a track hoe or a backhoe.

24 In areas where we have -- we have  
25 railroads and roads, navigable waterways, sensitive,

1 ecologically sensitive areas, we'll directional  
2 drill. So those are done with a specific design  
3 that takes into account the topography.

4 The actual surface, whether it's a road,  
5 railroad, waterway, the depth of that in the  
6 waterway, the width, we also do a geotechnical  
7 analysis which goes into the design, as well as --  
8 the design of the actual installation of that pipe  
9 as well as the pipe, pipe type that's needed based  
10 on the stress calculations.

11 MR. BOB HOLMAN: So every 72 to 80 feet,  
12 it's a manual weld?

13 MR. BARRY SIMONSON: At this point for  
14 the 24-inch, yes. For the 30-inch we're looking at  
15 either implementing manual welding and/or a  
16 combination of manual and mechanized.

17 MR. BOB HOLMAN: Okay. So I thought you  
18 were just referring when you roll the steel and you  
19 do the long, the long weld, so that's a mechanical.

20 MR. BARRY SIMONSON: That is a mechanical  
21 that is done at the mill. So the welds that I'm  
22 speaking of is just threshold welds to weld the pipe  
23 joints together.

24 MR. BOB HOLMAN: Okay.

25 MR. LARRY HARTMAN: Barry, could you

1 describe in more detail the sequence of the welds on  
2 the 24-inch pipe from the hot pass up to the last  
3 welds and then go through that for the 30-inch one  
4 then also?

5 MR. BARRY SIMONSON: Sure. So on those  
6 pipe joints there's a V notch and you want to match  
7 them up. So when they do a weld they'll do a first  
8 pass, a second pass, and then finally there's either  
9 a fourth or a fifth pass that's a hot pass that  
10 provides a cap on that pipe. It's between four to  
11 five passes, that then it's based on the wall  
12 thickness, too, that we're using, that goes into the  
13 weld procedures that are being generated as we  
14 speak.

15 MR. BOB HOLMAN: So when you have to go  
16 up or down at a fairly increased level, do you  
17 shorten the segments then? Or do you stay -- or are  
18 they bendable?

19 MR. BARRY SIMONSON: They are bendable.  
20 They can be bent. But there are fittings that are  
21 called hot bends, they are used in areas where the  
22 degree angle is great enough so that we can't  
23 actually produce a bend sufficiently and with  
24 integrity out there in the field.

25 MR. BOB HOLMAN: Thank you.

1                   MR. LARRY HARTMAN: I believe the limit  
2 on field bends is between four and six percent, or  
3 is it two or four?

4                   MR. BARRY SIMONSON: I think you were  
5 right on the first comment there, Larry. Usually  
6 it's around 22 to 24 degrees of a total bend that  
7 the pipe utilizes.

8                   I think I addressed all your questions,  
9 did I not?

10                  MR. BOB HOLMAN: Thank you.

11                  MR. LARRY HARTMAN: The next speaker card  
12 I have is Charles Krysel, Krysel.

13                  MR. CHARLES KRYSEL: Krysel.

14                  MR. LARRY HARTMAN: Sorry.

15                  COURT REPORTER: And I would like you to  
16 spell it, please. State your full name and spell  
17 it.

18                  MR. CHARLES KRYSEL: Okay. There we go.  
19 My name is Charles Krysel, K-R-Y-S-E-L.

20                  And I just discovered that the pipeline  
21 is planned to go across my --

22                  COURT REPORTER: I'm sorry, I didn't hear  
23 you.

24                  MR. CHARLES KRYSEL: The pipeline is  
25 proposed to cross the Pine River about a mile north

1 of my property.

2 UNIDENTIFIED: Speak a little louder.

3 MR. CHARLES KRYSEL: I'll do my best.

4 Okay. Well, I was going to ask about the  
5 corridors, the existing corridor as well, but you  
6 just answered that question. But the second part of  
7 my question was, you just completed a pipeline  
8 project in an existing corridor from Clearbrook to  
9 Superior; is that right? You know, that was only a  
10 couple years ago. So the second part of that  
11 question is why didn't you, you know, anticipate the  
12 capacity that you're asking for with this Sandpiper  
13 pipeline at that time? It wasn't that long ago.

14 Thanks.

15 MR. MARK CURWIN: Thanks for your  
16 question, Charles.

17 This pipeline is intended to serve a  
18 different need. The pipeline you're referring to,  
19 that was completed about four -- I think 2009, the  
20 Alberta Clipper pipeline was the last one that we  
21 built in the corridor along Highway 2. That serves  
22 predominantly Canadian production. This pipeline  
23 will serve solely the production that's in the  
24 Bakken and the Three Forks. So it's coming from a  
25 different place and therefore -- and there's not

1           enough capacity out of North Dakota right now, not  
2           enough pipeline capacity. And even with this  
3           pipeline there would still be an excess of  
4           production than there is piping capacity.

5           MR. CHARLES KRYSEL: Okay.

6           MR. LARRY HARTMAN: Yes, sir. Do you  
7           want to identify yourself again?

8           MR. BOB HOLMAN: Bob Holman.

9           Therefore, if there are multiple lines  
10          coming out of Bemidji, whether they're yours or not,  
11          what are the chance that you're going to want to do  
12          more after this one is installed?

13          MR. MARK CURWIN: With respect to the  
14          Sandpiper line, I'll let Barry talk about how we  
15          design for potential expansion from the very  
16          beginning.

17          MR. BARRY SIMONSON: In terms of the  
18          design that took place for the Sandpiper line,  
19          the -- we build for what's determined that the  
20          suppliers and the producers are in need of. And  
21          being that 225,000 barrels was initially the  
22          capacity that's coming out of the Bakken region to  
23          Clearbrook, and then we're pushing 375,000 from  
24          Clearbrook to Superior, there actually is capacity  
25          for expansion on the pipeline. So there would not

1           need to be a new pipeline built if there was a need  
2           out of the Bakken region for additional capacity on  
3           the line.

4                        What would be needed is additional pump  
5           stations. So there would be pump stations that will  
6           be situated between -- in North Dakota, additional  
7           ones that are put on, equidistant between the  
8           existing ones or the ones that are proposed  
9           currently. In addition in Minnesota the same would  
10          be true if the need was there for additional  
11          capacity on the line.

12                      And right now, in terms of in Minnesota,  
13          the maximum capacity right now is 375,000 barrels  
14          per day, is the expected flow on the 30-inch, and  
15          that 30-inch could be expanded all the way to around  
16          to 700,000 barrels a day.

17                      MR. BOB HOLMAN: Where does it go from  
18          Superior?

19                      MR. MARK CURWIN: It can go a number of  
20          different directions. It could stay on our system.  
21          We have a number of pipelines that go out of  
22          Superior that continue down into the Midwest and to  
23          the refineries that are down in Indiana, Ohio. But  
24          we don't control where it goes, we're just the  
25          transportation system.

1                   MR. BOB HOLMAN: Are you also involved in  
2 the one going down towards Louisiana? Are you  
3 involved in that one? That was on the news this  
4 morning. It looked like from the Dakotas to  
5 Montana, straight down south through North-South  
6 Dakota, west of the Mississippi River.

7                   MR. MARK CURWIN: I think you're  
8 referring to the Keystone pipeline. That's a  
9 project that's sponsored by TransCanada, not  
10 Enbridge.

11                  MR. LARRY HARTMAN: Is there anybody  
12 left? It says on. Is there anybody left who hasn't  
13 spoken who would like to? Other than that, I have  
14 one speaker card left. The person with your hand  
15 up, why don't you come on up front, please.

16                  MS. DAWN LOEFFLER: This is on?

17                  Okay. My name is Dawn Loeffler, that's  
18 L-O-E-F-F, as in Frank, L-E-R.

19                  My question is actually for Tracy. In  
20 her introduction -- I've listened to the  
21 introduction twice, and there has been questions  
22 during that time, but you said to wait until after  
23 you were done but then you never asked if there's  
24 questions again.

25                  So my question is, if I'm understanding

1           this correctly, the route and the need permits will  
2           both be decided at the same time around January of  
3           2015; is that correct?

4                       MS. TRACY SMETANA: The question of need  
5           will be answered first. Once we get to the  
6           administrative law judge holding public hearings and  
7           evidentiary hearings, those will be held together.  
8           Number one, for efficiency purposes, for the state  
9           staff, for citizens, so you're not coming to  
10          multiple meetings wondering, we've already talked  
11          about Sandpiper, why are we back again? At this  
12          point the schedule has not been established and so  
13          we anticipate January 2015 for those two decisions.

14                     MS. DAWN LOEFFLER: Okay. In that case,  
15          can the applicant move forward with routing before  
16          that decision is made?

17                     MS. TRACY SMETANA: I guess I'm not  
18          certain what you mean by move forward with routing.  
19          We're moving forward with the process because they  
20          work sort of in parallel.

21                     MS. DAWN LOEFFLER: Can -- I understand  
22          that they can do all the planning that they want,  
23          but can they actually execute?

24                     MS. TRACY SMETANA: And when you say  
25          execute, do you mean build something?

1 MS. DAWN LOEFFLER: Hmm, no. Go ahead  
2 with landowners' easements, contracts for signing,  
3 and payments.

4 MS. TRACY SMETANA: They certainly can  
5 negotiate those items prior to a permit being  
6 issued. They do that at their own risk without any  
7 guarantee that the Commission will accept the route  
8 that they're proposing. They cannot use that  
9 information to convince the Commission that their  
10 route is best. In other words, they can't come to  
11 the Commission and say, well, we have agreements  
12 from half the citizens along that route, the  
13 landowners, so therefore this is the best route,  
14 that doesn't enter into the Commission's  
15 decision-making process. Is that your question?

16 MS. DAWN LOEFFLER: So it's not against  
17 the process to continue that way, for them to do  
18 that, it's not against the process.

19 MS. TRACY SMETANA: Right. It's  
20 completely separate from our process, in other  
21 words.

22 MS. DAWN LOEFFLER: Enbridge, do you have  
23 contracts already signed with landowners before the  
24 route is permitted?

25 MR. JOHN MCKAY: I'm John McKay, manager

1 of land services for Enbridge. Yes, we have some  
2 contracts in place right now.

3 MS. DAWN LOEFFLER: Has any money been  
4 paid to those landowners?

5 MR. JOHN MCKAY: Yes, there has been  
6 money paid.

7 MR. LARRY HARTMAN: If there are no other  
8 questions from -- okay.

9 MR. BOB HOLMAN: I have one for Tracy  
10 that she said to wait.

11 COURT REPORTER: And, again, your name  
12 is?

13 MR. BOB HOLMAN: Bob Holman.

14 On slide 8 you have factors considered in  
15 decisions. And everything makes sense except one.  
16 Pipeline costs and accessibility. Do you really  
17 care about pipeline costs?

18 UNIDENTIFIED: We can't hear you.

19 MR. BOB HOLMAN: Factors considered in  
20 decision, this is Tracy's slide 8. And everything  
21 made sense about human settlement, natural  
22 environment, right-of-way, agriculture, and its  
23 effect on economy and archeology and historic  
24 resources. But the one on pipeline costs and  
25 accessibility, you really don't mean pipeline costs,

1           you're not looking at the cheapest alternative, I  
2           hope? This is for you, Tracy. It's the Public  
3           Utilities Commission slide.

4                       MS. TRACY SMETANA: I'm waiting for the  
5           microphone.

6                       Those are the requirements that are  
7           identified by statute and rule. An example, in  
8           terms of accessibility, you know, if the company  
9           can't get to a location to build it, that would, you  
10          know, be a negative in that column. In terms of the  
11          cost question, I mean, I can't really speak to, you  
12          know, how much does the Commission care about that.

13                      As I mentioned in my presentation, those  
14          items are not ranked. And so certainly evidence and  
15          information about those factors will be presented  
16          and then it's up to the administrative law judge and  
17          ultimately the Commission to weigh those factors  
18          out. But those are the ones that are identified by  
19          statute and rule.

20                      MR. BOB HOLMAN: Thank you.

21                      MS. TRACY SMETANA: You're welcome.

22                      MR. LARRY HARTMAN: If I could just  
23          elaborate on that in the briefest of manners.

24                      A lot of the criteria we have for  
25          pipelines are the same as they were in the original

1 Power Plant Siting Act. And there's similar  
2 criteria. So one of the issues is cost on  
3 transmission. And it comes down to overhead versus  
4 underground, you know, pipelines are typically  
5 underground, whereas a lot of times there's  
6 controversy about whether a transmission line should  
7 be overhead versus underground. So in that case  
8 cost might be more of a factor for some people.

9 But then, again, it's one factor the  
10 Commission might consider amongst many, but in past  
11 proceedings I'm not aware of it as being a  
12 significant barrier to any decision they've made.

13 If there are no other speakers, Marty,  
14 you're next.

15 MR. MARTY COBENAIS: My name is Marty  
16 Cobenais, C-O-B-E-N-A-I-S. I think I owe you  
17 another one from Park Rapids earlier today, so do  
18 that two times.

19 Do I have to stay to the five-minute  
20 mark? And then afterwards I can ask more if no one  
21 else asks?

22 MS. TRACY SMETANA: You're on the clock.

23 MR. MARTY COBENAIS: Okay. The first  
24 question. This was actually kind of asked. Why are  
25 landowners being -- and this is for you, John. Why

1 are landowners receiving letters from Enbridge  
2 stating that they have 30 days to accept a contract  
3 at a certain amount or else they have to take a  
4 lesser amount?

5 MR. JOHN MCKAY: It is Enbridge's goal to  
6 obtain easements with landowners amicably. And so  
7 in order to do that we do have certain components of  
8 bonuses and such that we build into our payment  
9 compensation. And there's many other factors that  
10 go into that. One of those is an early signing  
11 bonus.

12 MR. MARTY COBENAIS: Okay. So in  
13 Clearwater County, when the landowner gets an offer  
14 of \$16,800, and if he doesn't accept it within 30  
15 days it goes down to under \$4,000. Is that really  
16 fair?

17 MR. JOHN MCKAY: Again, we do have early  
18 signing bonuses for 30 days. And there is a certain  
19 amount for the linear foot of pipe that is on that  
20 landowner's property. And again, our goal is to  
21 reach amicable agreements with landowners without  
22 eminent domain action.

23 MR. MARTY COBENAIS: Okay. In Park  
24 Rapids in Hubbard County, there's also a landowner  
25 that I was talking to today in Park Rapids, that he

1 already has four pipelines on his land. I don't  
2 know if I can technically say you guys, 'cause it's  
3 technically North Dakota rather than Enbridge, since  
4 all you guys are paid by Enbridge and not North  
5 Dakota oil -- or North Dakota Pipeline, is that --  
6 he owns a small family farm, it's been in his family  
7 for the last -- since the '30s. And now you guys  
8 are wanting to actually buy his property completely  
9 out from underneath him, buying their home, barn,  
10 silo, and everything. Why can't you go on the other  
11 side instead of taking his buildings? That's his  
12 homestead, that's his grandparents' home.

13 MR. JOHN MCKAY: I cannot speak to the  
14 specifics of that particular property. But we work  
15 with each landowner to address those types of  
16 concerns. And we do in some cases purchase  
17 property, but typically that is only when the  
18 landowner is a willing seller. When I say purchase,  
19 I mean purchase it outright. Our typical program in  
20 most cases is the acquisition of an easement and we  
21 work with each landowner specifically to address  
22 those concerns on their property.

23 MR. MARTY COBENAIS: I believe that was  
24 Barry that said earlier that Enbridge does fair and  
25 equitable treatment of landowners. And I have to

1 say that my idea of offering them large amounts of  
2 money to sign right away and then saying if you  
3 don't you're only going to get this, and then after  
4 that comes the threats of eminent domain and you'll  
5 only get this amount of money, if that. So I don't  
6 see that as fair and equitable at all.

7 When you guys sit and talk about this in  
8 Clipper, one other of the questions you guys was  
9 just asked, in Clearbrook you guys stated that  
10 there's no new pipelines being proposed along this  
11 route. That was last Tuesday up at Clearbrook. So,  
12 John, you're excused from this conversation 'cause  
13 you weren't there.

14 But in that meeting you guys stated that,  
15 no, there weren't. Then later on in the meeting,  
16 line 3 was announced, that you're going to replace  
17 line 3. Line 3 currently goes through the northern  
18 route. When you guys met with Clearwater County  
19 yesterday you announced to them that line 3 is going  
20 to be abandoned and you're going to build line 3  
21 parallel and follow the same route as the Sandpiper.  
22 Is that true?

23 MR. JOHN GASELE: Hi, Marty. For folks  
24 that don't know me, my name is John Gasele, I'm an  
25 attorney from the Fryberger law firm in Duluth, and

1 my role is really to help North Dakota Pipeline  
2 Company with the process.

3 And just so you know, this is a scoping  
4 meeting. It's kind of a fact-finding thing. We're  
5 here to provide the information we can about the  
6 project, about the company, and then find out what  
7 you want reviewed in the environmental review  
8 process.

9 The specific comment about line 3, that  
10 is a project that was approved by the Enbridge board  
11 last week and that's where that project stands right  
12 now. It was approved by the board, it has a  
13 proposed in-service date I think of 2017. So the  
14 project is just in its initial stages. A route, to  
15 my knowledge, has not been selected yet. Both the  
16 north route and the southern route would be  
17 evaluated for it and I think that's as far as that  
18 discussion has really gone.

19 MR. MARTY COBENAIS: Okay. So when we go  
20 to the Clearwater County Board and get their minutes  
21 it will say that?

22 MR. JOHN GASELE: I wasn't at a  
23 Clearwater County Board meeting, I'm sorry, I don't  
24 know who said that.

25 MR. MARTY COBENAIS: Well, that was said,

1 actually, yesterday.

2 Earlier today I talked to you guys about  
3 sulfur levels. Sulfur levels in the state of  
4 Minnesota, according to mining, is ten parts per  
5 million of sulf-- hydrogen sulfur levels. You guys  
6 have said that in the past that you want to only  
7 have five parts per million for health issues.

8 Some of the health issues that equate out  
9 is, under ten percent, irritable eyes, throat --  
10 there is irritation to the eyes, throat, and nose.  
11 And you also get the sulfur smell of rotten eggs.  
12 From 10 to 15 percent you get headaches, dizziness,  
13 nausea, vomiting, coughing and breathing. From 50  
14 to 200 percent you get severe respiratory tract  
15 irritation, eye irritation with acute conjunctivitis  
16 -- I'm not going to try and spell that even, shock,  
17 convulsions, coma, and death in severe cases.

18 And you guys, in May of -- or May 5th,  
19 2013, Enbridge was quoted in newspapers, and I have  
20 the actual newspaper -- part of the newspaper with  
21 me, is that Enbridge --

22 MS. TRACY SMETANA: Excuse me. That's  
23 five minutes.

24 MR. MARTY COBENAIS: Can I just finish  
25 this point?

1 MS. TRACY SMETANA: You can finish that  
2 sentence, yep.

3 MR. MARTY COBENAIS: Okay. And on  
4 May 17th, less than a week later, you agreed to  
5 accept with advance notice up to 200 parts per  
6 million in your pipelines. And the reason that is  
7 is because Enbridge goes and takes from North Dakota  
8 high sulfur levels as high as 1200 parts per  
9 million.

10 So my question is, why are you going to  
11 allow 200 parts per million when the safe sulfur  
12 levels is actually 10 percent, or 10 parts per  
13 million in the state of Minnesota? That would be  
14 violating all the water acts and everything else  
15 like that in the state of Minnesota in case there's  
16 a leak into a river or anything else. That is why  
17 people are fighting that Polymet mine, is because of  
18 the sulfur levels also.

19 So how can you sit and tell us that it's  
20 okay to go up to 200 parts per million, when in  
21 those cases even for you guys to check the tank  
22 farms in Clearbrook and other places, most of the  
23 time you have to have your staff go up there with  
24 full respiratory and hazmat suits and everything  
25 else so that they don't pass out and die to check

1           those tank farms.

2                           And I realize I'm out of time for this  
3 round. Is there any explanation on you guys's part  
4 for that?

5                           MR. MARK CURWIN: I don't really know  
6 what you're referring to, Marty. I think you're  
7 mixing a number of items. You're talking about our  
8 railroading facility in North Dakota and you're  
9 talking about pipelines. I can tell you that we  
10 operate our system, anything and everything, as  
11 safely and reliably as possible. And we would never  
12 let an employee be exposed to an unsafe H2S  
13 anything. We don't allow that. And you're right,  
14 that's why they wear respiratory equipment and  
15 that's why they carry gauges, to ensure that they're  
16 not exposed to anything.

17                          MR. MARTY COBENAIS: This is through  
18 Reuters. And the name of it is Oil Shipment Backs  
19 Out in the Bakken Sulfide Gas Dispute. I will  
20 submit this as part of the evidence to the state.  
21 And this is just a section of it and they can go to  
22 the actual website and get more information on it.

23                          But this is what you guys have said,  
24 that's what you said at the beginning, so you didn't  
25 want to do the Sandpiper because of the high sulfite

1 levels.

2 MR. MARK CURWIN: I answered the  
3 question.

4 MR. MARTY COBENAIS: Okay. So I reserve  
5 my other half of my questions if I get to come back  
6 up again.

7 MR. LARRY HARTMAN: Is there anyone else  
8 who would like -- I don't have any more green cards.  
9 Is there anyone else who would like to speak who  
10 hasn't spoken before? Round two.

11 MR. MARTY COBENAIS: Do I only have  
12 another five minutes? Marty Cobenais,  
13 C-O-B-E-N-A-I-S.

14 Some of the conversation that you guys  
15 have had tonight is about safety. And that  
16 Enbridge -- and in one of the other meetings that  
17 you guys have stated that -- Enbridge has stated  
18 that they clean up all spills. This is not true,  
19 obviously, because the spill in Michigan is still  
20 not cleaned up, even after Enbridge has stated twice  
21 to federal regulators that it is cleaned up. And  
22 EPA has come back in and said, no, it's not.

23 So this wasn't a conversation where you  
24 guys said, yes, we're agreeing to this. You guys  
25 have already said, no, we're done. And EPA has come

1 in and said, no, you're not.

2 UNIDENTIFIED: I think that's a bunch of  
3 hearsay. And I don't think it's necessary.

4 MR. MARTY COBENAIS: No, it's not  
5 hearsay. That's actually the truth.

6 UNIDENTIFIED: The truth by who?

7 MR. MARTY COBENAIS: By all the  
8 statements that have gone through even PHMSA and  
9 through the EPA.

10 You guys, in your scenarios, that you say  
11 worst-case scenarios, you kind of say that it's  
12 based upon the rate of oil that goes through your  
13 lines and everything else like that. In reality,  
14 your worst-case scenario should be the Michigan oil  
15 spill, in which over -- you guys stated at the  
16 beginning it was 800-some thousand, 800 and some  
17 thousand barrels that spilled. Whereas, in fact,  
18 you guys have cleaned up over one million barrels,  
19 and \$1 billion of cleanup in three years. So  
20 wouldn't that be the worst-case scenario?

21 And that was -- and I do have the first  
22 three pages of the EPA, PHMSA's notice of probable  
23 violation and proposed civil penalty to you guys,  
24 addressed to Mr. Richard Adams, Vice President of  
25 U.S. Operations in Superior, Wisconsin.

1           In that, you guys actually started it,  
2           restarted the pipeline two times in the next 24  
3           hours, not knowing that the pipeline actually had a  
4           six-foot crack in it. So this is you guys's safety,  
5           in saying that, well, the line said no, that there's  
6           a crack in it, but yet it still took emergency  
7           personnel on the ground to actually verify to your  
8           staff in Calgary that, yes, there is actually a  
9           leak.

10           So when you guys sit and talk about how  
11           safe you are and how great your computerized systems  
12           are, it's really not that great. As a matter of  
13           fact, in Deer River two years ago, three years ago  
14           now, when your pipeline spilled there, there's a  
15           half-inch crack in the pipe and that system never  
16           detected it.

17           You guys talk about the smart pig. The  
18           smart pig has its own errors, even by the  
19           manufacturer that designed it says there's system  
20           failures. The monitoring system that you guys have,  
21           and even Art agreed to that, that there is a  
22           percentage loss that does not have to -- that does  
23           not set off the alarms until it's done. In the Deer  
24           Lake -- Deer River spill your alarms never sounded.

25           One of the things that you guys

1 haven't -- and I haven't even asked you guys about,  
2 in the Alberta Clipper pipeline, in the EIS and  
3 everything else, you sat and talked about anthrax.  
4 I have not seen that in this proposal anywhere.

5 Have you guys gone through and looked for  
6 different anthrax cases in Minnesota along this  
7 route? That is a very serious disease that is a --  
8 can stay in the soil for years.

9 MR. JOHN GASELE: Hi, folks. For those  
10 that aren't familiar, Alberta Clipper was a pipeline  
11 that was permitted back in 2008. And there was an  
12 anthrax study for, I believe it was -- Bob Patton  
13 can correct me here, potentially, if I'm wrong --  
14 for a bovine anthrax of some kind that was in --  
15 potentially in some soil in one area. So there was  
16 a plan that was developed as part of the  
17 agricultural protection plan for that pipeline  
18 project to deal with that potential aspect.

19 And if that's something -- this is a  
20 scoping meeting -- that folks would like to see  
21 addressed, that can be done through really the  
22 purpose of this meeting, which is to gather  
23 information about things that people think we should  
24 be looking at and, really, the Department and the  
25 Public Utilities Commission should be looking at

1 through the review process. So that could be added  
2 to that list, certainly, and be added as part of the  
3 agricultural protection plan as well.

4 MR. MARTY COBENAIS: Thank you.

5 Going back to the sulfide levels, the  
6 reason I'm most worried about that is that in  
7 studies that have been done with the Polymet mine  
8 and stuff like that, is that even at 10 percent  
9 there is a damage that happens -- or 10 parts per  
10 million, there's damage that happens to the wild  
11 rice beds. And the sulfide goes into the wild rice.  
12 Along this route there are thousands and thousands  
13 of rice beds along this route, close enough so  
14 that's going to happen in case there is a spill  
15 there.

16 Are you guys seriously considering a  
17 different route for those reasons yet?

18 MR. JOHN GASELE: I believe sulfide  
19 levels have been identified as something to be  
20 addressed in the comparative environmental analysis  
21 as well.

22 MR. MARTY COBENAIS: With the wild rice?

23 MR. JOHN GASELE: I believe you asked for  
24 that.

25 MR. MARTY COBENAIS: Yes, but have you

1 thought about this outside of the meeting here?

2 MR. JOHN GASELE: Well, this is really  
3 just the scoping process for the Public Utilities  
4 Commission to identify what should be analyzed as  
5 the process moves ahead. As we saw in the slides in  
6 the beginning, this is really just the fact-finding  
7 part, this is the very initial part of the  
8 environmental review process and it's going to  
9 continue on with the comparative environmental  
10 analysis, with public comments, and I'm sure the  
11 Department of Natural Resources and other agencies  
12 will be weighing in with comments.

13 All of that is then brought back, we come  
14 back out and there's an additional set of meetings  
15 conducted by the administrative law judge, who will  
16 hold hearings all through the area. That  
17 administrative law judge will collect all the  
18 information, which then goes to the Public Utilities  
19 Commission. And the Public Utilities Commission  
20 will evaluate all of that, both comments from the  
21 company, comments from other state agencies,  
22 comments from everybody who attends those hearings,  
23 and that is what the Public Utilities Commission  
24 will use to make its decisions.

25 MR. MARTY COBENAIS: One of the other

1 gentleman, I think it was Mr. Johnson that asked  
2 right away, he was asking about how much oil is  
3 going to be allowed to go out once and if a leak is  
4 detected by your systems. Art, I believe, answered  
5 part of the question. But at 1400 psi that Barry  
6 stated earlier, it takes about eight to 10 minutes  
7 to fully shut down a pipeline, is what I've always  
8 understood through you guys and fighting with you  
9 guys over the Clipper and TransCanada with Keystone  
10 XL. So it takes a little bit of time. Because you  
11 guys don't want to shut it down right away because  
12 back pressure can cause more damage and everything  
13 else like that. And I understand that. But it  
14 takes about eight to ten minutes after you guys  
15 detect it, if you detect it. So how much actual  
16 leakage is going to happen after the flow? 'Cause  
17 you guys don't shut it down right away.

18 MR. MARK CURWIN: The potential effects  
19 of a leak are part of the environmental review  
20 process. And I'm happy to take more questions about  
21 the purpose for why we're here, which is scoping  
22 around the route for the project, but if you have  
23 questions about other topics, then I suggest that  
24 you can approach us afterwards and we can take those  
25 there.

1 MR. MARTY COBENAIS: I think this has  
2 everything to do with the environment. This is a  
3 very serious part of this.

4 MR. MARK CURWIN: And it's part of the  
5 review process, just like everything else that  
6 you've asked to be part of the review process.

7 MR. MARTY COBENAIS: So why can't you  
8 come up with an answer yet? You've known since last  
9 week about these questions. Okay. I guess I'm  
10 going to be like Mike and say that you guys aren't  
11 going to answer my questions neither.

12 One of the concerns that I have in  
13 Clearbrook is that, according to the Clearwater  
14 County mitigation -- hazardous mitigation plan from  
15 2012 is that there is no way in Clearbrook,  
16 Minnesota that if one of the tanks goes up with an  
17 explosion or a fire, there is not enough water to  
18 suppress such a fire. How do you guys change that  
19 now?

20 MR. MARK CURWIN: Again, if that's  
21 something you want to have as part of the review  
22 process, then you can direct that to Mr. Hartman.

23 MR. MARTY COBENAIS: I think Mr. Hartman  
24 is writing these questions down as they come.

25 MR. LARRY HARTMAN: And I would remind

1           you that water and oil don't mix.

2                       MR. MARTY COBENAIS: You guys don't have  
3 enough of a suppression system there to put out a  
4 fire. So those tank farms are about half a million  
5 gallons each.

6                       So obviously we're not going to get  
7 anywhere here today. But some of the things you  
8 guys need to know about in this area, is if you look  
9 at some of these maps that Enbridge has on their  
10 system, is that this oil is not going to stay here.  
11 The line 6 from Superior down to Flanagan, Illinois,  
12 it is -- it has a capacity of up to one million  
13 barrels per day. They are asking for an increase  
14 already. Line 5 from Superior to Sarnia, Ontario,  
15 just outside of Detroit, they're asking for an  
16 increase. So this oil is not going to be staying  
17 here. Even though Marathon is part of that system,  
18 they're just pushing the oil through and it won't be  
19 staying here.

20                      So if you guys have time, they have a  
21 very good website, and that you can actually see  
22 where all this stuff is going and all the plans that  
23 they're doing. In reality, the Montreal refinery is  
24 the refinery that wants most of this North Dakota  
25 Bakken oil. That is why. They had an explosion in

1 Montreal last year, there was a train derailment up  
2 there that killed, I believe, over 40 people. That  
3 was actually Bakken oil field oil also, just like  
4 the spill in North Dakota earlier this year.

5 So just so you guys know, this is not  
6 going to be staying here, and I've been fighting  
7 pipelines for the last nine years of my life. And  
8 so I know what you guys say and how you guys say it,  
9 and you say a lot of things that go around the  
10 answer so you guys can say things later on that we  
11 didn't say that exactly.

12 So I guess to you -- I'm not just talking  
13 smack, is what I'm saying. I have the proof and we  
14 have the proof that shows all this.

15 UNIDENTIFIED: You're giving false  
16 information to the people here.

17 MR. MARTY COBENAIS: They are.

18 UNIDENTIFIED: No, you are.

19 MR. LARRY HARTMAN: We have a gentleman  
20 in the back who has a question.

21 MR. TIM BRAY: My name is Tim Bray, I'm a  
22 Crow Wing County engineer.

23 COURT REPORTER: The spelling of your  
24 name?

25 MR. TIM BRAY: B-R-A-Y.

1                   My question relates to how you typically  
2 go over roads, under roads, how do you typically  
3 traverse those obstacles?

4                   MR. BARRY SIMONSON: Thanks for the  
5 question.

6                   In terms of the roads that we cross,  
7 predominantly they're crossed via the boring method.  
8 Whether it's a directional drill that needs to  
9 traverse underneath a road and a railroad and other  
10 encumbrances, predominantly we use a smaller, longer  
11 bore, a 30-inch, that will be at a depth of greater  
12 than 54 inches depth of cover beneath the roadway  
13 itself. And in Crow Wing County we have very little  
14 mileage, but if you haven't been contacted yet by  
15 our crossing coordinator, you will be, and we'll be  
16 working together in terms of getting the permits  
17 that we need to have.

18                  MR. TIM BRAY: I have been contacted, but  
19 it's been about a year, I suppose, now. So we have  
20 been contacted but didn't get the specifics whether  
21 it would be aboveground or below ground.

22                  MR. BARRY SIMONSON: It's all above grade  
23 and for the most part on those roads we bore those  
24 roads.

25                  MR. LARRY HARTMAN: Tim, I have a

1 question. I believe there is what, two townships in  
2 your county that are crossed. Do you have authority  
3 on behalf of the townships also?

4 MR. TIM BRAY: I do not have authority,  
5 nor have I really discussed it in great detail.  
6 Gail Lake Township, I believe those representatives  
7 have since left. But you do traverse two county  
8 state aid highways, number 43 and number 56.

9 MR. LARRY HARTMAN: The reason I asked  
10 about the townships, is sometimes they delegate  
11 their authority to the county highway engineer and I  
12 didn't know if they had done that yet or not or if  
13 they want to retain it.

14 MR. TIM BRAY: No, they haven't, but I  
15 have a good working relationship with them, and I  
16 would expect they would collaborate with me.

17 MR. LARRY HARTMAN: Thank you.

18 Any other speakers? Yes, ma'am.

19 MS. JAN SKJOLSVIK: Jan Skjolsvik,  
20 S-K-J-O-L-S-V-I-K, Crooked Lake Township.

21 Just a couple quick questions. And,  
22 Tracy, I don't know if this is your question or not.  
23 It might be.

24 Who exactly is responsible for  
25 environmental studies for this project? And then

1           who is paying for it? So is Enbridge or North  
2           Dakota Pipeline conducting their own environmental  
3           study and paying for it as well?

4                       MR. LARRY HARTMAN: They submitted an  
5           application, they've retained a third-party  
6           consultant to help them on their application  
7           primarily for the Minnesota environmental  
8           information report, which is data on their route.

9                       The Department of Commerce, which is  
10          where I work in the Energy Environmental Review and  
11          Analysis staff, is assuming responsibility for  
12          preparation of the comparative environmental  
13          analysis and we will be hiring a third-party  
14          consultant to assist us in preparation of that  
15          document.

16                      MS. JAN SKJOLSVIK: And who is the third  
17          party?

18                      MR. LARRY HARTMAN: We haven't done a  
19          final contract yet, and once we do we'll certainly  
20          make that known. As a state agency we have a list  
21          of consultants we work with kind of on a short list.  
22          And I think we only have two and one of them had a  
23          conflict of interest. They were both interested in  
24          it, that leaves the other one that we're in the  
25          preliminary stages of contract discussions at this

1 point in time. We expect to have them on line I  
2 believe sometime in April to start.

3 Were there any other questions? If not,  
4 I'd like to thank you for your taking time out of  
5 your schedule and attending the meeting tonight.

6 Again, we have materials back there on  
7 the table, if you haven't picked it up, please do  
8 so. And if you want to submit comments, please  
9 remember to submit them by April 4th.

10 And if you have any questions, certainly  
11 feel free to contact me or Casey at your  
12 convenience. I have business cards back there, if  
13 you work during the day and don't have time to  
14 contact me, I list my cell phone number, so feel  
15 free to contact me at your convenience.

16 Again, thank you for attending.

17 (Meeting concluded at 8:40 p.m.)

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