MCGREGOR - MARCH 13, 2014 - 11:00 A.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

McGregor Community Center
41442 State Highway 65
McGregor, Minnesota

I N D E X

MS. TRACY SMETANA: Good morning and welcome. Thank you for coming.

My name is Tracy Smetana, I'm with the Minnesota Public Utilities Commission. And we're here for the public information meeting for the proposed Sandpiper Pipeline route.

On this opening page I've also included what we call our docket number, that's PL-6668/13-474. That's kind of the key to finding information with our office and, also, if you're communicating with us, it's useful for us to have that docket number listed to make sure it ends up in the right place.

So, briefly, what we're going to go over today is introduction, talk about the roles and the process for the permitting. We'll ask the company to provide a brief summary of their proposal. We'll have the Department of Commerce talk about the environmental analysis. And then we'll get to the main event which, of course, is your comments and questions.

Keep in mind that we do have a 2:00 p.m. end time and so we will ask that you keep your comments to three to five minutes. I will be keeping time during that portion and I'll give you

the one minute warning and then when the timer goes off your five minutes are up, okay. We appreciate your cooperation on that.

So who is the Public Utilities Commission? I always like to start with a little introduction in case folks aren't familiar with our agency. We regulate permitting for power plants, pipelines, transmission lines. We also deal with local and in-state telephone service and rates and service for investor-owned electric and natural gas utilities.

We do have five Commissioners that are appointed by the governor. And they serve staggered terms, so we get a new governor, we don't necessarily get a whole new batch of Commissioners like you might see at some other state agencies. So we have some Commissioners right now that were appointed by our current governor and some that were appointed by governors past. Our Commissioners, this is full-time employment for them. They're in the office 40 hours a week just like the rest of us. We have about 50 staff that do various tasks to help the Commissioners do their jobs and regulate the industry, everything from technical, to legal, to public information.

So as we work through this pipeline process there will be some folks that you might interact with or some terms that you might hear, so I thought it would be useful to provide some information about who these people are.

So, to start off, we have the applicant. That's what we call the company that's asking for the certificate of need and the pipeline route permit. So in this case that's the North Dakota Pipeline Company. So if you hear someone say the applicant, that's who they're talking about. Okay.

We also work very closely with the Department of Commerce and other state agencies. And there's two different pieces of the puzzle that they assist with. The first is the Energy Environmental Review and Analysis, you might see that abbreviated as EERA, and their role is to conduct the environmental analysis. And Mr. Larry Hartman with the Department of Commerce will be providing a presentation on how that works in a moment.

The other arm of the Department of Commerce that plays a role here is the Energy Regulation and Planning group. They deal more with the question of need on this particular project.

They represent the public interest when utilities want to make changes to their rates, their services, their facilities and so on. And so they'll do a technical and economic analysis on the question of need.

Later on in this process we'll also ask the Office of Administrative Hearings to get involved. What they will do is assign an administrative law judge, which you might see abbreviated as an ALJ, to this case to help sort out the facts, dig through the evidence, collect that evidence and, also, they write a report for the Commission outlining conclusions and recommendations for the Commission's consideration. The Office of Administrative Hearings is also a state agency, but they're completely separate from the Department of Commerce and the Public Utilities Commission.

And at the Public Utilities Commission, besides the Commissioners, which we've already discussed, there are two staff that are involved in this particular project. The first is the public advisor, and that's me. So my job is to be sort of the public information person. Help you figure out where to find information, when we have open comment periods or when meetings are scheduled or how to

submit your information to go on the record.

The other piece of that puzzle is our energy facility planner. That person deals with more of the technical aspects of the project, assists in building the record, informs the Commissioners on various impacts of different decision alternatives that are out there.

In both cases, we're neutral. We don't represent any particular party or position. You know, we're not for a citizens group, we're not for the company, you know, we're just there to represent the rules and work through the process. We're not going to give you legal advice, and that's true for all Commission staff.

So this particular project, why is it that the Public Utilities Commission is involved? I mean, I said earlier that we do deal with permitting for pipelines and so on. The statutes and rules talk about the large energy facility and they've defined it based on what the facility is transporting, the size, and the distance that it's crossing. And if it meets those three criteria, then the statutes say this project needs a certificate of need. So it's going to answer that question, is this project needed. That process is

also in the works. Later on in this process there will be public hearings about that where folks can weigh in on the question of need as well.

Now, the main event for today deals with a petroleum pipeline route permit. And a route permit is required from the Public Utilities Commission because this project would be a diameter of six inches or more and transports hazardous liquid.

Now, for both of these I have provided the statutes and rule citations in case you're looking for some interesting bedtime reading or if you'd really like to dig in and learn more about how the process works. Again, this is going to answer the question, okay, if it's needed, where is it going to go.

And so in terms of figuring out if it's needed, where is it going to go. The Commission has some factors that it must consider according to the statutes and rules, okay. So things like human settlement, the natural environment, archaeological and historic resources, the economy, cost and accessibility for the pipeline, use of existing rights-of-way where that makes sense. The cumulative effects of future pipeline construction,

and we also want to make sure the project is in compliance with other regulations, whether that be local, state, federal and so on.

One thing the statutes and rules don't do with this list of factors is rank them. You know, they're listed here but they're not in priority order by any means, okay. And so it's up to the Public Utilities Commission to determine which things outweigh the others. So some folks, as we work through this process, might argue that it's most important to avoid impacts to human settlement no matter what other impacts you might have. Well, someone else might say I don't agree with that, I think it's more important to avoid impacts to water no matter what other impacts you might have.

And so that's how the process works, so it gives you an opportunity to basically argue about which things are most important. And in the end it's the Commission that makes the ultimate decision.

Okay. So if you like charts, this gives you a little picture of how the process looks. First of all, for the certificate of need process. And the reason I'm putting that up first is because first the Commission has to say is the project

needed, yes or no. Clearly, if the Commission determines it's not needed, then there's no point in determining a route, right. So the first question is is the project needed. And so this is what the process looks like.

Before we get to this chart, the step is the company actually applies for the certificate of need, right. And once they do that, then the Commission reviews it to say, did they submit everything we need to call this an actual application? So when we say up here application accepted in that first box, it doesn't mean, yep, it's good to go, we think the project is needed. Application accepted simply means all the information has been submitted. Kind of like a checklist, you know, they were supposed to submit A, did they give it to us, yep.

The next step deals with the review of facts and merits. That's where we look at, okay, they gave us A, but was it any good, do we need more information, what's the decision on whatever they submitted for that particular criterion.

As we move through the process, you can see there are some public hearings, as I mentioned earlier. Those will be conducted by the

administrative law judge, that ALJ that I mentioned earlier. The ALJ will also conduct evidentiary hearings, which is a more formal process. Typically the attorneys in the room are the folks that participate. And then ultimately the judge will use all of the evidence, all of the facts in the record to write a report which goes to the Public Utilities Commission for a decision on that question of is this project needed, okay.

And at this point we don't really know the time frame, that has not yet been established, but our best guess is somewhere in the 12- to 15-month range.

Now, this is the diagram for the pipeline route permit process. And you see it looks pretty similar to the one we just looked at. There's a couple added steps and you can see the one is where we're at today, the public information meeting, okay. And so our purpose today is, number one, to provide you with some information about the process and the project and also to collect information from you about alternative routes or route segments that you may wish to propose. And also any environmental impact that you would like the Department of Commerce to look at in their review.

So once that happens, they'll conduct that review, the Public Utilities Commission will determine which of those alternatives moves forward for continuing review and then we'll be back for those public hearings. And when we get to that step the two processes kind of come back together. So the public hearings will be both about the question of is the project needed, and also where would it go. And then the remainder of the process kind of looks the same as the one we just looked at.

Now, if you like a list better than a picture, you will prefer this slide. This gives you, again, the estimated project timeline. The timelines have not yet been established, but this is our best guess based on the rule and statute requirements and just past experience with these types of projects.

You can see we're early on in the process, public information meetings. There's a deadline for alternatives and comments coming up. And then the Commission decision about those alternatives. And then we move forward through the process and anticipating the public hearings and evidentiary hearings will be held this fall, likely in October, but we'll see. And then that puts us

with a decision on both questions -- first, is the project needed; second, where would it go -- perhaps in January of 2015.

So as we work through this process, as I mentioned, there are some opportunities for folks to get involved. Sometimes by coming to meetings like this, other times by sending in written comments. So for folks that couldn't attend one of the meetings that we're holding this month, they can send in written comments. And those are worth the same as if you came in person. Okay.

But sometimes we don't have meetings, but we'll have what we call an open comment period. So we'll send a notice out for folks that are on the project list. We also post this on our website so folks can have an opportunity to weigh in on various questions as we work through the process. And so this is a sample of a comment period notice that went out earlier in this process. But I wanted to use this just to point out some elements that you'd want to take a look at if you receive one of these or see it on our website to kind of know what you're looking at.

So, first of all, it points out the docket numbers. Remember, I said at the beginning,

that's sort of the key to everything in our office. That's how we track things. So it's important to include those numbers on any communication that you have with us to make sure it gets filed in the right place.

You also want to pay attention to the comment period. We have deadlines. If you send in a comment and it comes in after the deadline, it's not likely to be considered even if it's a really super, fantastic idea, because the deadline has passed. It's sort of like school, if you turn in an assignment late you're not likely to get credit for it, it's kind of the same situation here.

The other thing you want to pay attention to is what are the topics open for comment. As we work through the process, we have different questions that we need help getting answers to, okay. So you can see back in November and December, when this particular comment period was open, these were the list of questions that we were looking for help on.

If you submit information on these topics today, we've already moved past that so it's not really useful. So you want to make sure that you pay attention, what are the topics open for comment,

and focus your comments on those issues. That's where you're going to have the most impact.

As I mentioned, one of the reasons for our meeting today is to collect information on alternative routes and route segments that you may have ideas about. As residents of the area, you're the experts, you might know about something that makes more sense than what's been proposed. So we definitely want to hear from you on those issues. Mr. Hartman is going to provide some more detail on how you can go about submitting those alternatives if you have some ideas.

Now, you also might want to know how can I stay informed about this project going forward. Well, one way you can do that is to see information, okay. In our system we record everything in what we call eDockets. It's an electronic filing system and everything that comes in in this particular project goes into eDockets. So if it's a comment that you submit, it's going to end up in eDockets. If it's the application that the company submitted, it's going to end up in eDockets. And that information is available on our website and so I've given you the instructions on how to look at that.

Now, keep in mind it's a lot of

information and a lot of documents, so it might seem a little overwhelming, but if you play around with it and you're comfortable with computers, it might be a good way to find some information. And you'll note that I've included the docket number here for both the question of need and the question of the route. Again, those are the keys to finding information in our system.

Another way you can stay informed is by signing up for our project mailing list. That will give you the opportunity to receive by mail or by e-mail information about upcoming opportunities to participate. So, for example, when the public hearings are coming up, you'll be on the mailing list to receive information about that. You can complete and return the orange card that was at the table when you came in, or if you didn't take one and you decide later you'd like to be added to this list, you can certainly contact our office by e-mail or phone.

Now, for those that like e-mail and maybe like a lot of e-mail and want to know about everything that happens, we have an e-mail subscription service where you can sign up to receive an e-mail every time something new comes in

in this case. Now, as I said, this can be a lot of e-mail, so for some folks, if you're not a real e-mail lover, it might not be for you. The beauty of this is you can subscribe yourself and unsubscribe if you decide, hey, that's way too much information, I think the project list would be a better method for me to stay informed, you can always follow up and add yourself to that instead.

And I did include just a picture of what that screen looks like when you go to the subscription service. Some folks say that it's not super user-friendly, so I thought it would be useful to show you what it looks like and what information you would need to enter when you get to that page.

As I mentioned earlier, there are two folks that you might interact with at the Public Utilities Commission regarding this project. The first is me, Tracy, I'm the public advisor, my contact information is there. When I'm not in the office, like today, I do have some folks back there that can respond to inquiries as well.

The other -- my counterpart is energy facility planner Mr. Scott Ek. He is not with us today, but he would certainly be happy to answer questions of a technical nature that you may have

about the project and the process as well.

And, with that, I will turn it over to the applicant.

MR. BARRY SIMONSON: Thank you, Tracy.

Good day to everyone. It looks like we have a packed crowd here, so hopefully we have some productive questions in relation to the Sandpiper routing.

My name is Barry Simonson, I'm with Enbridge out of Superior, Wisconsin. I am the manager of our energy construction for Sandpiper specifically. And to my right we have other Enbridge representatives. We have Kevin Walli with legal counsel. Mark Curwin, he's a director with execution. Art Haskins with emergency response. John McKay with land services. Paul Meneghini with the environmental department. And John Pechin with operations. So hopefully they can answer questions as we progress through this hearing.

Sandpiper. What is the scope of work? Sandpiper is an approximately 616-mile pipeline project that begins in western North Dakota around Tioga. The oil is out of the Bakken region of North Dakota in the U.S. The route and the diameter is 24-inch from western North Dakota all the way to

Clearbrook. From Clearbrook to Superior, there's a new terminal in Clearbrook that we're planning on building, and then the diameter is going to be 30-inch from Clearbrook to Superior.

In terms of construction. We're looking at, with all the permits pending, we're looking at winter of 2014 or early 2015 winter construction season within the state of Minnesota, as well as predominately a full construction season in 2015, with an in-service date of Q1 of 2016.

In terms of what has Enbridge been doing up to this point. 2014, or I should say 2013 was a very busy year for us in terms of preparation. There was various environmental and cultural surveys that were conducted along the entire route, as well as civil surveys, geotechnical analysis, all of which plays into our design, our routing, as well as all of our environmental permits, Corps of Engineers, Minnesota DNR, as well as the Minnesota PUC and other agencies.

In terms of routing the entire project, it's more specifically for Minnesota. We're about 75 percent collocated with existing utilities, whether that's Enbridge-owned or other utilities within the route.

Specifically to Minnesota. As you can see in the top left corner and on the associated maps around the room, the pipeline would enter south of the Grand Forks area and a 24-inch diameter would progress 75 miles east to Clearbrook. From Clearbrook, we're actually -- our preferred route is to go south and follow some existing Minnesota Pipeline Company pipelines down around the Park Rapids area, and then head east following an existing DC power line that's owned by Minnesota Power, and then on into the Minnesota-Wisconsin border.

What are the benefits of this project? Well, this is North Dakota crude oil out of the Bakken region and it's transported to North American refineries for production. This is offsetting imports from other countries that are unstable and unfriendly to U.S. interests.

In terms of jobs, obviously Minnesota is predominant in this area with pipeline construction in the past. There are going to be general contractors coming to the area once we start construction and there are going to be local jobs for materials, gravel, amenities in terms of fuel, accommodations. So there's going to be a big impact

to the economy.

And, thirdly, taxes. If you look at what Enbridge paid in Minnesota in 2011, it was around $34 million. Once Sandpiper comes on line in 2016, we're looking at an additional 25 million annually in Minnesota property taxes.

So our values are safety, integrity, and respect. I'll touch on safety first. Our top priority is operator system safety and reliability. No incident will ever be acceptable to us.

Secondly, we invest in new technologies that assist with our operations group, in terms of operational reliability as well as our design, our construction and implementation of the pipeline and its associated facilities. And, thirdly, we strive for fair and equitable treatment to all of our landowners across the project.

And, with that, I thank you for your attendance and look forward to a productive session today. And I'll turn it over to Mr. Hartman.

MR. LARRY HARTMAN: Thank you.

My name is Larry Hartman, I work for the Minnesota Department of Commerce on the Energy Environmental Review and Analysis staff. With me from our staff is Casey Nelson. Casey, do you want

to raise your hand? Casey is back there at the map table. If you want maps, please contact her back there. Also with me, I borrowed somebody from the Minnesota Department of Agriculture, Bob Patton is kind of assisting us. And as long as I'm indicating that, Bob is with the Department of Agriculture, and Brian Napstad is here, who is a county commissioner and is head of the Minnesota Board of Water and Soil Conservation Resources and a member of the Minnesota Environmental Quality Board also. If you want to stand up? I don't know you, just to acknowledge that you're here. Thank you.

And before I start I'd just like to kind of make a few other kind of announcements or suggestions. We have with us a court reporter, Janet, who is sitting over here. And Janet is going to be making an oral recording of this meeting, as she's made an oral recording of all the other meetings we've held so far. At the completion of this round of meetings and once Janet gets the time, we will post those summaries or proceedings on our website for all the meetings. They'll be identified individually, they will be available on our website, which I'll get to later on. They'll also be on the eDockets on the 474 docket, and I'm assuming they

could be posted on the certificate of need docket also.

After about an hour and a half, we're going to have to take a break for Janet. She needs a little break there, so it'll be about five, ten minutes, then we'll reconvene.

If you want to speak later on, at the front desk where Bob is there's kind of a green speaker card. We'd ask if you want to speak to fill a card out. If you want to speak and you don't have a card or you didn't pick one up, perhaps Bob can walk along here and pass them along for people. And we in turn will collect them. I will call on them in the order I receive them. For those that spoke at previous meetings, I'd like to give the people from this area an opportunity to speak first. It doesn't mean you won't be able to speak later on, Michael, if you submit a card, but I would like to call on the local people first to respond to their questions.

Having, I think, said that, and I assume I haven't forgotten anything, it's not a promise. This is just listing where the meetings have been held to date. And we have covered a number of issues as we've moved across the state and we'll

wrap this round of the meetings up tonight in Carlton.

As I guess was indicated earlier by Tracy, we prepare the environmental review document for this project. We are also responsible for -- or I guess we'd be reviewing all the route proposals or route segment proposals that come in also.

And as long as I just realized the microphone drifted away from my mouth, I did get a signal from somebody in the back, if you can't hear me just stick your hand up and you'll catch my attention and I'll get the microphone a little bit closer so you can hear me.

Now, the purpose of these meetings is to collect information of you folks for your thoughts and opinions about routing, I guess routing concerns that you -- I guess there are two components to this. One, is there's an opportunity for the public to propose additional routes and/or route segments. You as an individual landowner can make a suggestion. If the alignment crosses your property and you think there's a better place for it on your property, you have the opportunity to offer a suggestion to indicate that it should be located somewhere else. And I'll get to that a little bit

more.

The other element is we'd like to get your thoughts and opinions and concerns about the project in general. And a lot of these comments and concerns will be summarized by us once we receive the transcripts. We'll organize them and then we will address those topics in the environmental -- excuse me, comparative environmental analysis.

Now, we have had some questions about how the review process works. The pipeline routing rules, originally the regulatory function for a pipeline routing resided with the Minnesota Environmental Quality Board back in 1988. That regulatory function was transferred to the Public Utilities Commission in 2005.

But as the pipeline routing rules were developed, they were also approved of by the EQB as an alternative form of environmental review. And that's done through Minnesota Rules, Chapter 4410, part 3600, which has to demonstrate that it meets all the, I guess, the qualifications to qualify for alternative review.

So rather than a separate permitting process and a separate environmental review process, it has kind of been melded into one overview process

for efficiency purposes, and we try to do things in a more timely manner also.

So having, I guess, kind of gone through that. And the routing rules in Minnesota Rules, Chapter 7852, there are different review mechanisms in there for a pipeline. There are different review elements. This is under the alternative review process rather than the shorter, abbreviated process.

So, again, components of this are we typically try to hold a meeting in every county crossed by the pipeline. And we also provide for a comment period for you to submit comments such as the meeting today, and/or written comments by April 4th, along with proposals. What would then happen is we would kind of package up all the route proposals that come in. We would then present that to the Commission for their consideration, their staff would review that, and the Commission would make a determination on what routes will be considered at the public hearings to be held after the completion of the environmental review documents are completed and submitted in the record and then the hearings would begin again typically in all the counties crossed by the pipeline again, and that

document would be subject to review during the public hearing process also.

There's no draft comparative environmental analysis. There's no final. It's just the basic document. And the purpose of that document is to reflect what routes have come forward or were made at the initial pass to be considered, and then I guess the document also addresses the issues raised during the comment period at these meetings or whatever comes in by April 4th.

If you want to propose an additional route or route segment, you as a landowner might only have a concern about your particular property, I would encourage you, if you do have a concern, to try to work with your neighbors.

The example I've posted here is for a transmission line in the southwest metro area of the Twin Cities. The applicant proposed something that kind of looks reddish to me, and alternatives were proposed by the public, I believe, in kind of the dashed line in what appears to be the purple line. So if you pick up one of the maps back there, and there's USGS maps and there are aerial photos. Enbridge has identified a corridor that varies in width from 250 maybe up to several hundred feet.

They've also identified areas where they would need extra temporary work space besides the additional work space, and typically that involves road crossings where you have borings, also railroads, rivers and streams also.

I'd encourage you to kind of work with your neighbors. To that effect, we have a guidance document back there that tells you how to make a route proposal. It has criteria listed on the back. If you want to kind of frame an argument, try to use the criteria as an explanation of why you think your alternative is better than what Enbridge has proposed.

Prior to April 4th, if you have any comments on how to submit a route or a route proposal, please contact myself or Casey, we'll be glad to assist you in any way we can on that. If we do get route proposals, and sometimes we don't, I would expect some and I would expect some of the state agencies to make proposals also, we'll review those and if we feel that you're kind of missing something we'll contact you and try to assist you to obtain the information you need to kind of pass that initial test, screening test, so it'll be passed on to the Commission.

Again, this is just an example of, you know, what you might say in support of that. Rather than me reading it, it's in the PowerPoint presentation, it's a paper document you can pick up. Our guidance document is back there on the table as well as a flow chart and a few other things also.

Also, if there is specific issues or impact you'd like to see addressed, that's the purpose of this meeting. Again, we have a comment sheet back there. If you would like -- if you don't want to speak today, that's fine. If you'd like to submit written comments, we have comment sheets back there where you can write it out, fold it pursuant to the instructions on that, drop it in the mailbox, postage prepaid, my address is on it and it will come to me. Everything will eventually be posted on our website and also on eDockets also.

Just examples of issues that people might raise or comment on if you're thinking about something. This isn't meant to be inclusive, just illustrative. For example, on the west side and perhaps more so on the east side where we have agricultural land issues such as soil separation, drain tile repair, soil compaction, organic farms, irrigation systems, crop losses might be things of

interest to the agricultural community. We'll try to deal with proposed land use plans, either residential, industrial. Natural resource systems, water systems, road crossings, stream and river crossings, wetlands, vegetation, clearing of vegetation is an issue, impact on wildlife, cultural resources, archaeological resources. So those are just some of the things that will be looked at there also.

Again, the Commission will make a determination after we submit our, I guess, recommendations to them. The Commission will then schedule that for a meeting and determine what routes go forward at the public hearings and would also define what routes or route segments that we examine in any comparative environmental analysis.

Basically, the comparative environmental analysis is a written document. It will examine the impacts of various routes and route segments and the issues raised at these public meetings. Again, that impact document will be available prior to the start of the public hearings later this year.

Again, as Tracy mentioned, the hearings will be presided over by an administrative law judge from the Office of Administrative Hearings, which is

also a neutral third party.

We also have a number of state agencies with downstream jurisdiction of permit authority for pipelines also. And this is just -- well, I've listed the PUC and Tracy has discussed the role of the PUC. I'm on the Department of Commerce, our responsibility is preparation for, I guess, these meetings, or preparation of documents for the Commission.

With regard to other agencies, Minnesota -- we also have -- before I forget, we have a printout -- or, excuse me, a PowerPoint package back there that lists -- it shows this and each of the state agencies who provide a brief overview or summary of their regulatory role and function on the permitting of pipelines.

For example, Minnesota DNR issues permits for crossings of public lands and waters. And I believe it's their intent to handle this as two permits, should a permit be issued by the Commission. And that would be one permit for crossing public waters, the other for public lands.

A water appropriation permit is a separate permit, the Minnesota Pollution Control Agency has a responsibility for an NPDES permit for

appropriation of hydrostatic test water, they also issues permits for stormwater runoff and a few other things.

Minnesota Department of Health has a setback for pipelines from water wells which is 100 feet for petroleum pipelines. The Minnesota Department of Transportation issues permits for state road crossings. Downstream from that, counties, townships would also have the ability to issue permits for the roads they're responsible for also.

The Minnesota Department of Agriculture is responsible for authorization and approval of the agricultural mitigation plan. And that's something Bob will be involved with and has been involved with on previous pipeline projects also.

Also, another agency is the Minnesota Department of Public Service and the Office of Pipeline Safety. And, again, as Barry mentioned, pipeline safety is a very important issue to everyone, and should be. The Minnesota Office of Pipeline Safety is authorized as an interstate agent of the federal Office of Pipeline Safety, and they have authorization as both interstate and intrastate inspector of both gas and liquid lines. I expect

that they'll be playing a significant role in this project also if the project proceeds.

This is our website. We don't post everything that eDockets does, it's primarily our documents. For example, if you go to that address, click on it, then you'll go to a file that will be in blue on the left-hand side of the page. Click on that. If you go to, I think, February 15th, you will find Enbridge's application, they're broken down by each section. And then we've broken down all the appendices, for example, the draft agricultural mitigation plan -- excuse me, the agricultural mitigation plan, the environmental mitigation plan, there are a number of other plans there also.

We've also listed all the maps which are back there in the big book, the USGS maps and the aerial photos. They're listed by county from west to east and then broken down by township and by milepost. So we've tried to make discrete files for ease of access. We've also identified the file size there also so you know what it is before you download.

Having said that, I'll try to kind of -- if you want to submit something to me, comments, a

route proposal, you can submit that to me by U.S. mail, e-mail, fax, and you can do that vis-a-vis our website also for the project. There's a little bar there you can click on where it says submit comment.

If you have a colored map and you want to send it to me, please don't fax it because it'll come to me as black and white, which means I won't be able to read anything on it at all. So if you do have a colored map, please send it to me or try to make it an electronic file. If you need help or assistance, Casey or I will be happy to assist you in that capacity also.

If you have any questions, my business card is back there. I have my phone number there, our fax number, and I have my cell phone number there for those of you who might work during the day and you'd like assistance during the night you can call my cell phone and I'll try to help you also.

With that, I'd like to wrap it up and turn it to questions and answers. And I'll just call these in order.

The first card I have is for Mark Johnson. So, Mark, when you approach, would you please sit there, spell your name for the court reporter. Speak slowly so Janet can take down what

you're saying. And also loud enough so you can be heard by the fellow members here. And I'm hoping the microphone at the table works. Thank you.

MR. MARK JOHNSON: Thank you.

I'm Mark, M-A-R-K, Johnson, J-O-H-N-S-O-N. I'm a director of the Big Sandy Lake Association. We are elected by our members at an annual meeting.

The mission of the Big Sandy Lake Association is to ensure the enjoyable and safe use of the lake for a diversity of activities, while helping to protect the water quality and the shoreline for future generations. And that's our -- we've accepted our mission for the lake association.

As a board of directors we're very concerned about the possibility of oil spills if this corridor for the Sandpiper Pipeline is allowed to pass through our watershed. Big Sandy is at what you'd call the bottom of the watershed. What happens to the land and the water and the watershed eventually comes through our lake.

After decades of work and money spent on projects to improve water quality on Big Sandy, we feel that a pipeline in our watershed will place our water resource at risk.

The lake association has been around for decades. As far as I can tell, it started back in the 1950s. And we've gone through stages of development. Lately we've been working on a Big Sandy Lake management plan, I've included a copy of that in a blue folder there for you to look at. It was one of the requirements in being designated a star lake of Minnesota. Big Sandy is one of 16 lakes in Minnesota that is a star lake. It shows our plan to take care of the lake and a plan for the future. The star lake is a big deal for us. Excuse me.

We not only work by ourselves, but we work with other organizations. Some other organizations is, one -- or I've got a list of them here. Big Sandy Water Institute is where we work together with the school district and the water -- excuse me, the Big Sandy Water Institute, where we teach kids how to use the lake, enjoy the lake, but not destroy the water quality or the shoreline. We have, I think, somewhere around 600 kids each year that we work with and show them how important our water resource is.

We also work with a foundation. It's where people can leave a legacy so there's a future

for taking care of the lake. We also work with BSALWMP, it is our watershed organization. BSALWMP stands for Big Sandy Area Lakes Watershed Management Project. We do things like shoreline revegetation, planting projects, lake access stabilization, erosion control, no-mow zone incentives, forest stewardship planning, conservation easements, shoreland homeowners guides, educational workshops, water quality monitoring. It's all those things that we use to help improve these roughly 400 square miles of watershed that's going to eventually come through Big Sandy Lake.

One of the big projects we worked on in the last few years was our TMDL. It's the total maximum daily load. We have worked with the Minnesota Pollution Control Agency and had a very large grant to do the TMDL assessment. And I also have included in that blue folder a copy of the implementation plan of how to improve our water quality.

We have a list of projects. Just yesterday we met and approved things to work on. We also work with the Aitkin County Water Planning Task Force, the Coalition of Lake Associations, the Mississippi Headwaters Board, the Army Corps of

Engineers. We even worked with the St. Croix Water Research Station where we did a diatom study of the bottom of our lake. And plus we work with other local organizations.

We're not afraid to use the lake and the watershed. We use it for boating, fishing, swimming, hunting, snowmobiling, ATV use, but we take care of it and we want it to last for generations. We've put money into the economy with our taxes and our business and we put a lot into here.

Now, Enbridge has had a history of leaks and spills. I'll mention Kalamazoo, where they spilled into about 25 miles of a river near Kalamazoo. Deer River, where they didn't even detect a leak, or the firefighters found it when they were fighting it.

This has been our way of life for generations and we don't want to risk losing it. Please do not send the southern route through our watershed and look for another route, like the northern route, for the Sandpiper Pipeline.

Thank you.

MR. LARRY HARTMAN: The next speaker card I have is Wayne A-L-T-O-N-E-N or W-E-N.

MR. WAYNE ALTONEN: N-E-N.

Hello. My name is Wayne, W-A-Y-N-E, Altonen, A-L-T --

UNIDENTIFIED: We can't hear you.

MR. WAYNE ALTONEN: My name is Wayne -- I'll speak in the microphone here. My name is Wayne Altonen, W-A-Y-N-E, A-L-T-O-N-E-N.

And I'm here representing the positives of the pipelines. We seem to be getting a lot of information about why we shouldn't build pipelines, but there's a lot of reasons that we have to to keep up with our natural resource that we use.

And I have a report here from our International. I'm a steamfitter, a welder by trade. And I've got a report here from our International. And this is from our president. Plumbers, pipefitters, sprinkler fitters, and pipeliners, which do the majority of the pipeline work.

And he says here, I was shocked to read recently that more crude oil was spilled in rail accidents in North America last year in nearly four decades since the government has been collecting data on the spills. The most devastating of all these accidents was in Lac-Mégantic, Quebec in 2013

in which 47 people were killed.

At the end of 2013, an oil train left the tracks near Casselton, North Dakota, producing a massive fireball and spilling more than 400,000 gallons of crude oil. Almost 15,000 residents of Casselton were evacuated.

In all, more than 1.15 million gallons of crude were spilled from rail cars in 2013, according to information released by the Pipeline and Hazardous Safety -- Hazardous Material Safety Administration.

Compare this to the period from 1975 to 2012 in which railroads spilled a total of 800,000 gallons. It is clear that moving crude oil by rail is not our best way.

The downside of this is that there is a shortage of pipelines. To carry the oil to refineries, the rail cars and tanker trucks are being increasingly used and even overloaded. Some of these trains are a mile long and they travel straight through the middle of towns, past homes and schools in the United States and Canada.

I share all of this with members because we know that pipelines are without a doubt the safest way to transport oil and gas. The railroads

claim that their safety record is above 99.9 percent when it comes to moving hazardous materials. A claim I find hard to accept because obviously they left out 2013 in their equation.

Pipelines are the safest way to transport petroleum products. In the past 20 years, before the current oil boom, very little oil was transferred via rail cars. However, in 2013 estimates are, without an increased number of newly constructed pipelines, the oil by rail traffic will increase by 400 percent by the end of this year.

Meanwhile, the oil in Canada continues to come out of the ground even as we write this. This is frustrating in light of powerful evidence that pipelines are the safest and most efficient, least expensive way to transport oil and gas.

Pipelines have fulfilled this mission for almost a century now. Americans are more likely to get struck by lightening than be killed by a pipeline accident. North Dakota alone is now producing more than 820,000 barrels a day. We won't be able to take advantage of these resources, however, without a viable infrastructure, and that means pipelines.

I wanted to leave you with one last

statistic. According to the Association of Oil Pipelines, in 2012 U.S. pipelines carried more than 474.6 billion gallons of crude and petroleum products and reported 2.3 million gallons spilled, an effective rate of .0005 percent.

It is just good common sense to transport our oil and gas via pipeline. There's plenty of commodities that are rightly transported by rail and we fully support that, but oil and gas being inside pipelines, not in rail cars or being hauled by tanker trucks.

Thank you.

MR. LARRY HARTMAN: The next speaker card I have is for a Ken Lindberg from Superior, Wisconsin.

MR. KEN LINDBERG: That's K-E-N, L-I-N-D-B-E-R-G.

I have a small business in Duluth and I buy produce from farmland in the Upper Mississippi Valley. So I'm here representing all people who eat food.

We all know that the pipeline technology is improving, but as Robert Burns famously said long ago, the best-laid plans of mice and men often go astray. Pipelines leak. According to the EPA,

there is a better than 99 percent chance that at least one and a quarter will leak during its lifetime.

So my next point is that the public comment period needs to be extended so that people who own summer homes in this area have a chance to comment and aren't surprised by these new developments after it's too late.

I believe it's a policy to inspect each pipeline. We saw the picture of the helicopter, helicopters and other aircraft are used, maybe drones in the future, but summer lake residents come here to get away from that sort of thing. And I will be fairly certain that that will have an impact on property values. That and the threat of leaks and having your land torn up for future maintenance and additional pipelines may very well decrease the property values and offset any payments that are made to the county, so that's something people should take into consideration.

In summary, I'd like to mention a factor, a principle at work here. Near my hometown in southwest Minnesota, landowners got one-third of the payments for wind farms on their land that their neighbors farther east received because they didn't

collectively bargain. Each landowner was sort of isolated by the wind company and dealt with, whereas farther east where they bargained collectively they did much better.

So whether you're in favor of having a pipeline on your land and welcome it with open arms, or if you're forced to have a pipeline on your land, it pays to talk to your neighbors. As was said earlier, talking to your neighbors is good as far as making plans for alternative routes, but if it comes down to accepting a pipeline, then collective bargaining makes sense then too.

Another question I have that I'd like to have answered is when will we be hearing about how much of this oil will be sold to foreign nations rather than used domestically?

Thank you for your time.

MR. LARRY HARTMAN: The next speaker card I have is from Ms. Hanson, a resident of St. Francis, Minnesota.

MS. MYRTICE HANSON: My name is Myrtice, that's M-Y-R-T-I-C-E, Hanson, H-A-N-S-O-N.

Just very briefly, I just have a couple of questions that actually, as the previous gentleman just mentioned about the property values,

I'm wondering if someone could tell me, I haven't heard anything about what it would do to your land value. Our property, in particular, it goes through the entire property. How that would affect the property value for resale or also anything about property taxes, if this would have an impact on the Aitkin County taxes at all.

And also about how much disruption and for how long it would be, how long would we be in a disruptive state? And as far as everything being put back so there was no damage left when they were done. We've been told that that would be done, but I have nothing in writing about that. So those are my questions.

Thank you.

MR. KEVIN WALLI: Thank you. A couple of questions that I think we might have panelists respond to. The construction time frame is one of them, and then there's the impacts on property taxes and property values.

MR. BARRY SIMONSON: I can speak to the third question, Ms. Hanson, regarding the disruption and construction timing. I'm not sure exactly where your land is, what I can tell you is that predominantly 2015 will be our construction season,

between most likely July through the end of the year.

Our goal is to construct in seasonal times between that June, July, August, September, before it gets to winter in areas. So in terms of construction sequence, depending upon the size of your property, we go through the process of locating any utilities, clearing anything that needs to be cleared off the property. And then in the sequence with regard to topsoil stripping, stringing the pipe, ditching, and then welding, coating, backfilling, and the reverse process.

So in terms of disruption, there will be some disruption during construction, but what we do is we work with our right-of-way agents and our contractors to ensure that each landowner is informed as to when we're going to be constructing through your parcel of land. But then also it's our goal to make that property -- put it back to the preexisting condition.

Now, saying that, there's a process in terms of timing. So the vegetation, if the land use is of a certain type, we'll most likely have a monitoring with our environmental and right-of-way group once construction is completed and restoration

has begun. In 2016 you may see more of the vegetation coming back. And so it's a process, but we work with each landowner amicably so that they're not disrupted and the land is put back to preexisting conditions.

Does that answer the question, the third question?

MS. MYRTICE HANSON: Yes.

MR. BARRY SIMONSON: Okay. I'll turn it over to our land services.

MR. JOHN MCKAY: Hi, I'm John McKay, manager of land services with Enbridge.

Regarding your question of property values, what we do as part of that routing of the pipeline, of course, is to try to route it through your property in a location that would not negatively affect your property value.

I'm not sure if we've met with you specifically yet, if our land agents have, but they will be meeting with you, if they have not, to take into consideration things that are specific to your property. There are components, of course, in our compensation program that do address property values, but the intent is to, just similar to what Barry said about restoration, is to leave your

property as close as possible to what it was prior. And that would deal with also the property value itself.

Does that answer your question?

MS. MYRTICE HANSON: And taxes?

MR. JOHN MCKAY: I believe Mark Curwin will talk to you about the tax implications. And Paul Meneghini is going to comment about one thing on restoration here.

MR. PAUL MENEGHINI: Sure. Thanks, Ms. Hanson. My name is Paul Meneghini, I'm leading our environmental permitting efforts on the project.

Your last question dealt with restoration, where you can find more information on what is the best management practices that we've used over the years for pipeline installations all over the country.

In the filing with the Public Utilities Commission, there is what's called an environmental protection plan, EPP is the acronym that we're using. So that really lays out all of the procedures beginning at the very first step, which is, you know, clearing the land, to topsoil segregation, how we separate topsoil from subsoil, and then as that material -- once the pipeline is

installed and all the soil gets put back, then it gets into different seed mixes that we commonly use. Again if you have any specific requirements for your land as part of the seed mix that you'd like for restoration, work with your land agent once they're in touch with you and we'll be glad to try to accommodate that. So the EPP in the filing with the PUC provides a lot of detail on that.

MR. MARK CURWIN: Mark Curwin again with our major projects management team.

With respect to county taxes, as I think was on Barry's slide, across the state we're estimating about a $25 million increase in annual property taxes that we pay. For Aitkin County, based on just our current estimate of the cost for construction and how the formula works, it's somewhere around a four and a half million dollar increase for Aitkin County on an annual basis.

MS. MYRTICE HANSON: So how does that -- how does that affect individual taxes? I mean, as a whole the county would be getting more money, but that doesn't necessarily -- I mean, would the taxes -- they're already high in Aitkin County.

MR. MARK CURWIN: I can't speak for Aitkin County, but presumably they would be using

those dollars for the benefit of the county. You would hope so.

And then I wanted to respond to Mr. Lindberg's question about domestic production and going offshore. The Sandpiper Pipeline is intended solely to transport domestic production, meaning it's crude that's produced in the United States. The United States government has had a ban on the export of domestic crude since the '70s, since the first oil crisis. So none of the production would be transported offshore.

But with respect to getting back to your tax question, I think that's probably better directed to the county as to how that would impact, you know, individual property taxes.

MR. LARRY HARTMAN: And if I could add one point that I didn't mention earlier. If a permit is issued and under the pipeline statute, the company's obligated to pay $500 per mile of pipeline to the county for the county to appoint an inspector, maybe, perhaps an ombudsman role to represent the interests of the public also regarding restoration. A lot of times the counties appoint a county highway engineer who might be more interested in roads, but that's a decision made by the county

as to who they appoint. But basically the intent of the law, as I read it, is to represent the interests of the landowners in that county to make sure things are being done.

If a permit is also issued, there are state -- well, they also report to the Department of Ag on the ag mitigation plan and to DNR also. So there are a number of monitors. There's monitoring constantly going on regarding construction practice, if there are issues they should be brought to the attention of the agency and/or the Commission or myself also.

The next speaker card I have is for a Kathryn Beatty, B-E-A-T-T-Y.

MS. KATHRYN BEATTY: My name is Kathryn, K-A-T-H-R-Y-N, Beatty, B-E-A-T-T-Y.

I'm a third-generation landowner on Big Sandy Lake, I've been coming here all my life and now live here permanently and I have questions regarding safety.

I know that Enbridge said that safety was a number one consideration, but I'd like to know what is their record on their current routes regarding major and minor spills and leaks? What's their leak detection method? What's their response

process and the time? And then what's the mitigation plan?

Also, we had a major flood here within the past couple years, what would the effect of flooding be?

Thank you.

MR. ART HASKINS: My name is Art Haskins, I'm the emergency response coordinator for the North Dakota region, so I'll address some of the stuff related to leak detection.

Leak detection is a multiphase type of thing, so it starts with construction, as Barry stated. Pipeline construction leads to less chance of anything else. There's also things like cathodic protection and then primarily our integrity management program. So the integrity management program is how we maintain the pipe once it's in the ground. And that includes the -- what we call our smart pigs, or inline inspection tools. And there are multiple types of those. They are run through the line to give us information of what is going on inside the pipeline itself, in all kinds of conditions, for dents, cracks, corrosion. It detects multiple things, it detects -- multiple tools detect different types of things.

And then it continues on. Besides the cathodic protection, it continues on with training and information to landowners. So we work with the landowners and first responders along the pipeline. As well as an aboveground inspection program, we fly our line, and that, as mentioned, a minimum of every two weeks, and that's one of the reasons why we need to maintain that open corridor, that easement area, so that we can see and inspect it from the air.

There is also people that are employed locally as line locators, so part of the Gopher State One Call or the 811 system. So we would have line detectors going out there if somebody is doing any digging in the area, we'd have people going out and doing that. As well as just general maintenance related to the rest of the integrity program. So it's not just the leak detection.

Leak detection specifically, though, there is a couple systems. Primarily is the data system, which is a computerized system that shows pressures in the pipeline, and that is monitored 24/7 at our control center. As well as a computerized monitoring system that looks at flow and flow rates. And that system is detecting on a constant basis what's put in and what's put out. So

you get a wave type of form through the flow of the pipe and it's much more accurate as far as detecting down to 1 percent or one-half of one percent, depending on the conditions and where it's set at, what the flow is. So it can detect a small -- a potential small release.

For example, when we would send one of those smart tools, you would have to put that in a chamber called a pig trap, and then you would fill that with product so you could send it down there. When you do that, you're going to use some product that is going to come out of the pipeline into that pig trap area and then go back into the sump. When those few gallons are taken out to fill that area, or when it's released back into the sump area, that detection system notices that small amount of release. So it's a continuous process as well as it just keeps going.

And then as far as response. Our control center, as I said, is staffed 24/7. There's an 800 number that will be obviously spread out throughout our area, it's on all of our pipeline markers, our route markers, as well as in all of our education stuff. So there are multiple people that can call that. It could be through the 911 center, we have

specific training for first responders. The 911 center training, those are available in person or free online for the first responders. It can be from the general public, from a landowner or somebody else who notices something. Or it can be from our employees as well as, like I said, from the leak detection itself.

That control center's response primarily then would be to, with any sort of hint or suggestion that there might be a release, would be to shut down the line. And that process, it also includes notification. So we would send out our on-call employees from the area to determine if that -- if it was an odor complaint, a product complaint, or if the pipeline detection showed a leak or a release out of that system, that would also send out an employee, then, to confirm what was the cause of that. At that same time we notify people, first responders along our route to assist with that process, if necessary.

So there is a large process involved in notifying and working with first responders, our company's response equipment, as well as contractor equipment for oil spill recovery, and that's all part of our response system. We use an incident

command system and work well with firefighters. We also provide training to them and work with them on tabletops on a regular basis.

MR. BARRY SIMONSON: I'd like to add one thing. This is Barry Simonson again.

In Aitkin County there's around 42 miles of the Sandpiper Pipeline, and we understand the activity around navigable waterways, the Mississippi River, Willow River, Sandy River. And in terms of that 42 miles, we have five block valves that are planned for installation during construction. Those block valves are being placed in areas that are -- that are, A, have power, so we're having power placed up to those valves so that they can be remotely closed. In addition, we'll have communications. So just an informational item for everyone, we do have five valves located at this point in time in Aitkin County.

MR. MARK CURWIN: And then regarding leak history. That is generally readily available public information. If you go to the internet and type in PHMSA, Pipeline Hazardous Materials Safety Administration, that's our federal regulator, that's who we have to report everything to, and that's who oversees our day-to-day operations. All of our leak

history is there. We're required to report any release of any kind of product that exceeds more than five gallons. And the great majority of incidents of releases of any size across our industry and for us, in fact, occurs at our own facilities that are aboveground facilities, our stations and locations like that, and those tend to be very small.

The incident rate for a pipeline release is very low. It does not happen very often. And most of the time, when it does happen, it's because of contact by a third party, typically somebody digging somewhere and not being aware of where the pipelines are located.

MR. LARRY HARTMAN: To add on to what Mark said, if you're looking for information, the Minnesota Office of Pipeline Safety probably has links to the federal government's page also. But you can find statistics for pipelines by county, by product type, and number of miles in a county also. Just for general information, Minnesota has about -- probably a little over 3,000 miles of crude oil pipelines and probably about 2,000, maybe 2,500 miles of product lines which would be refined products, such as, you know, gasoline, unleaded jet

fuel, diesel fuel, other commodities like that. And those are typically distributed through smaller pipelines. But all the statistics for pipelines can be accessed on that web page also.

The next speaker card I have is Lynn Mizner from Palisade.

MS. LYNN MIZNER: My name is Lynn Mizner, L-Y-N-N, M-I-Z-N-E-R. I will be submitting written testimony about my farm business, and my farm is actually located on the preferred route, it goes right through the middle of my farm.

I farm organically. I raise 100 percent grass-fed lamb, beef, pasture poultry, and a variety of other food products, including vegetables. I belong to a group, Aitkin County Food Collaborative, whose goal is to increase the availability of healthy local food to families in Aitkin County and schools and other institutions in Aitkin County. I am one of the few food producing farms on the pipeline, I believe, in Aitkin County. And I believe that the pipeline going through my farm would radically affect my ability to continue to farm in the way that I do. And the details about that are in my written testimony. I have letters of support from a large number of my 60 customers, all

of whom are concerned about this issue. So I'm going to go directly to my questions because of the time limitation.

Mississippi Headwaters Board Water Management Plan for Aitkin County mentions that this area is served by surficial aquifers, which are shallow aquifers that are susceptible to impacts to surface activities. So I would like to know why the pipeline company believes that those aquifers would not be affected in the case of a spill or some kind of a leak.

I also would like to know how, if all these safety mechanisms are in place, how something like what happened in Tioga, North Dakota, where a farmer was harvesting wheat in his field and found the entire field to be saturated with oil that leaked from a small leak in the pipeline. How can that happen without anybody knowing?

I would like to know -- I would like to request a full environmental impact statement on this project because I believe that its location in the wetlands and near the rivers and in the Mississippi headwaters is a problem for the environment, so I would like to see a much more detailed environmental impact statement.

I would like to ask how many pipes will be put in this corridor before it reaches capacity. Minnesota has a nonproliferation law which requires that before another pipeline corridor can be constructed this pipeline will have to be maxed out. According to the history of other pipeline corridors, including the northern route, I believe that's six or seven or maybe eight pipes in the pipeline corridor. Each time a new pipe is put in, the landowner's land will be disturbed and I don't think many people understand that.

I would like to know what the contracts that Enbridge has with landowners will -- who will be responsible for cleanup in the event of a spill. I would like to let landowners know that they should make sure that their contract includes something that makes someone other than them responsible for the cleanup.

The difference between rail spills and truck hauling spills and pipelines is obviously that pipelines are underground, or they're supposed to be underground. And apparently spills can happen without anyone being aware of that. At least with trucks and trains, they're already traveling in a degraded corridor, a road, or a railway. There's

some green fields, including my farm, that have not been disturbed previously that are now going to be disturbed by this pipeline.

So those are my questions, and I would like to get some responses before I leave today.

Thank you.

MR. KEVIN WALLI: Thank you for your questions, Ms. Mizner.

A couple of things that we'd like to touch on right off, and then some other panelists can touch on some other issues. With respect to the shallow aquifers concern that you raised and the interest that you expressed in a more detailed environmental analysis, we are at the very early stages of the process here and we're gathering that type of information to inform the environmental review process. So those issues are helpful to hear from citizens and will be taken into account in that process now.

With respect to the responsibility for cleanup, who is responsible, that would be a company responsibility. Perhaps somebody on the panel could address that more specifically. But, indeed, that is how these cases are handled, the company is responsible for any incident that occurs on its

pipeline.

You asked about the leak in North Dakota. That was a different pipeline company so I don't know that the company has a response. Mark, do you want to comment on that? Okay.

So I'll turn it over to Mark to make some further comments, but thank you for your questions.

MR. MARK CURWIN: Again, Mark Curwin.

With respect to the North Dakota Tioga incident, as Kevin just mentioned, that obviously was not us, it's another company. The most significant difference between how the Sandpiper Pipeline would be operated and how that line is operated is that line is what's known as an intrastate line. Therefore, it's not subject to the same rigorous standards that our Sandpiper Pipeline would be, our Sandpiper Pipeline is an interstate pipeline, thus subject to, as I was saying earlier, PHMSA being our regulator and the standards and requirements for things like leak detection as Art was talking about earlier. The type of monitoring that goes on is much greater, at a much higher level than an intrastate line. And that's just, unfortunately, the way the system is right now.

Regarding your question about

responsibility. We are responsible. And your easement should say that. And we take responsibility for what we do. And, for instance, you folks are well aware of the Kalamazoo incident and we have taken responsibility for that. We have made sure that everybody that was affected by that has been compensated. People who have brought forward their claims to us, their legitimate claims, have been compensated. And we're still there because that is our commitment to the communities that we operate in. If we cause something, if we cause some damage, we impact something, we're going to fix it. It might take a while, and that's where we're at with Kalamazoo now. We're into year four, and we will be there as long as we have to be there. As long as the folks that are involved in that, the state officials, the EPA, if they think there's something that still needs to be done there, we're going to stay there and do it.

And you had a question about the pipeline corridor and the capacity of the pipeline. I'll let Barry speak to the design at least of the Sandpiper line and how that would be -- what would happen to that if there was more demand for transport capacity on that pipeline itself.

MR. BARRY SIMONSON: Thanks for your questions, Ms. Mizner.

In terms of capacity on the Sandpiper line, which, as I mentioned earlier, starts in North Dakota and is a light crude line, in terms of the design for that and the demand that we have right now for Sandpiper, in terms of the 30-inch pipeline, that's planned to flow 375,000 barrels per day with one pump station at the Clearbrook terminal.

In the future, if there is a higher demand from the shippers and producers for that oil, we would not need, depending upon the amount of demand we would not need a new pipeline. That pipeline that's 30-inch right now could be expandible up to around 600,000, 700,000 barrels per day, which then would render additional pump stations along that line based on the hydraulics and pressure needed.

MS. LYNN MIZNER: What about other materials? Pipelines for other materials? Natural gas and stuff.

MR. BARRY SIMONSON: The question was if there was additional need for natural gas pipelines, et cetera. That would be based on a need. If there was a need for a natural gas pipeline, then that

would be a process that -- if we had a -- the same as this, essentially. If there's a need, we're a transportation company, so that's what would take place.

MR. LARRY HARTMAN: Why don't we take a brief break now for the court reporter and why don't we reconvene around 12:45. I have 12:35 on my watch, so about ten minutes or so.

(Break taken from 12:35 to 12:54.)

MR. LARRY HARTMAN: Perhaps we could reconvene again. I didn't mean to startle anybody, but I would like to get your attention.

With respect to the last speaker, I think there's a question that was unanswered, and that was in a flood situation what happens. Enbridge would like to respond to that. And then Bob Patton from the Minnesota Department of Agriculture would like to make a brief -- or provide a brief description overview of how farms are treated.

MR. BARRY SIMONSON: Welcome back, everyone. This is Barry Simonson. I'm going to address the question that was posed in terms of flooding and how that affects pipelines. And I can speak to it from a construction perspective that, you know, in terms of depth of cover that the

pipeline is being buried in the state of Minnesota in agricultural cultivated lands, 54 inches from the top of the pipe to grade, in other areas it's 48 inches to top of pipe to grade. In areas where we have saturated --

UNIDENTIFIED: I'm sorry, we cannot hear you.

MR. LARRY HARTMAN: Okay. Would everyone please take your seats?

MR. BARRY SIMONSON: I'll start over.

In terms of the question that was posed regarding flooding and how that may affect a pipeline's integrity, et cetera. From a construction perspective, there's a depth of cover requirement that we have for underground pipelines such as crude oil lines like this will be. In agricultural lands, the depth of cover will be 54 inches from the top of the pipe to grade. In other areas, 48 inches depth of cover. In areas where we have wetlands, saturated wetlands, we have waterways, rivers, streams, there's different techniques that we use for construction. In areas that are saturated we may use buoyancy control, where we actually use bag weights that counterbalance buoyancy, as well as concrete

pilings.

In areas where we do directional drilling, where we actually don't excavate the rivers or streams, we actually have a process of drilling underneath the river in a step-by-step process to create a void and we pull that pipe through. That pipe is buried. And normally at rivers and streams where it's a long crossing, we have a 30-foot depth of cover underneath the bottom of that river to the top of the pipe is a minimum of 30 feet in areas that are longer. So in terms of flooding it really doesn't affect pipelines themselves.

MR. ART HASKINS: So as far as emergency response goes, this is a new area, so there would be, along with the development of the engineering process, once the route is finalized there will be something called a control point study that is done. It's an engineering study to look at if there was a release into a water or a waterway, how far downstream on average flow, high flow, and low flow studies, as well as wintertime. So we'd look at all of those types of possibilities and decide and plan where we could go, working with first responders and contract companies, to get access to stop the flow

and start the recovery of that product.

So we would preplan those responses for any areas where -- especially anything along water areas. And then in high consequence areas, population centers, environmentally sensitive areas, we have the option of going to a tactical response plan where we would address not only the control point and the access and staging, but we would actually show on our maps where you put up a boom to stop the flow of product.

MR. JOHN MCKAY: John McKay here again.

I did want to follow up on the property value question again. Mr. Lindberg and Ms. Hanson had commented on property values. Just to give you a little more information on how we establish what we compensate landowners for. Basically from the beginning of the project through all the way to Superior, there is a market analysis throughout the whole length of the pipeline project. We determine -- we look at what land sales have been going for in the area, we look at the range of land sales on a per-acre basis, and we take the high end of the land sales per-acre rate for a given area and land type.

In addition to that -- that would be

called a market value for that, we pay 1.25, which is 125 percent of the market value for the permanent easement and 50 percent of the market value for the temporary work space and additional temporary work space.

Now, occasionally as we go through, time goes on, more information could come in that says a particular land type has increased in value, or there's some information that maybe wasn't readily available to us. In some cases we will make adjustments in those areas. But we want to reassure you that our policy is to, if you signed up as, you know, your easement at a given rate, and in your area additional information was provided, we would go back and top you up to bring you in line with everybody else that is in that area for that specific type of land.

MR. LARRY HARTMAN: Thank you.

I'm just going to ask Bob Patton to make a few comments on organic farms.

And while Bob is coming up here, I'd like to maybe address a couple other minor points. Dave mentioned regulation of gas pipelines. If a gas pipeline is operated by an interstate company, such as Northern Natural Gas, Great Lakes Natural Gas,

they are subject to FERC regulations, which is the Federal Energy Regulatory Commission. The state has -- at least the PUC has no involvement with permitting of projects that are regulated by the Federal Energy Regulatory Commission. And there's a difference between interstate versus intrastate natural gas pipelines.

Intrastate natural gas pipelines, if you live in the metropolitan area of Minneapolis, St. Paul, for example, your natural gas providers are CenterPoint Energy, which used to be Minnegasco, and it used to be Xcel Energy, which used to be NSP provides the gas in St. Paul. There are also gas companies in northern Minnesota, there used to be one, it may be called Aquila now, if I remember correctly. So companies like that that want to build pipelines, we do regulate, but the larger interstate ones we have no jurisdiction over. Our Office of Pipeline Safety is an inspector of both inter- and intrastate pipelines for both gas and liquids. It's a minor point, but I just wanted to clarify that.

Bob.

MR. BOB PATTON: Thank you, Larry.

I'm Bob Patton, I'm with the Minnesota

Department of Agriculture.

I was just wondering, first of all, how many people have farming operations that might be crossed by the pipeline? Can I see a show of hands? Okay, there are a number of people. Thank you.

The Department's role in this process, in any of these energy processes, is to advise the Public Utilities Commission on agricultural issues that can come up with energy facilities like pipelines, and to also be in charge of the development of the agricultural mitigation plan. And I'll explain that in a second.

The agricultural mitigation plan in this case is called the agricultural protection plan, it's Appendix C of the environmental report. The plan consists of really a set of conditions that the company is proposing that they will abide by. If approved by the PUC, these conditions become requirements for the proposer to follow as they build the pipeline.

And if -- the plan itself deals with issues such as how topsoil and subsoil is segregated, how land -- measures to prevent compaction of soil, where there's drain tile, which there probably isn't a lot up here, but how that's

dealt with. Fencing, rocks in the soil, a whole list of things that come up with farming operations.

There is also an appendix to this. This came about a number of years ago with the MinnCan pipeline, it came to our attention that organic farms have really a set of special conditions that go well beyond what the typical farming operation has. So there's an organic appendix to the agricultural protection plan. It has some special things in it having to do with prohibited substances, how you deal with water in trenches, preventing contaminated oil or prohibited substances from getting onto an organic farm.

And by prohibited substances, what I really am talking about here is organic farms go through a certification process through the USDA and there are procedures they need to follow to be able to comply with their certification. They lose their certification if they don't follow those. And so one big impact of a pipeline on an organic farm is loss of certification.

Also, there are just a lot of things that are very specific to organic farms, but really, if when you generalize it, there are specific to -- any farming operation has very specific parts of the

operation that are sensitive to disruption. I was talking with -- Ms. Mizner; is that right?

MS. LYNN MIZNER: Mizner.

MR. BOB PATTON: Sorry for screwing up your name. But she has a rotational grazing operation. So the fencing and, you know, how the livestock moves through that rotational grazing operation are very specific and really sensitive to how that pipeline goes through.

So I would just probably, with any landowner, but certainly for agricultural landowners, I'd really encourage you to take a look at the agricultural mitigation plan. One of the things about the -- or the agricultural protection plan, is that it's really a set of guidelines. I mean, there are requirements for the company, but for you, you can modify those, you can propose in your agreement with the company additional provisions that aren't in there that are very specific to your operation. I'd really take that seriously and, you know, work with your land agent to get things the way you need them for your farming operation to succeed.

With that, I'll answer questions.

MR. MARK JOHNSON: Can I ask a question

here?

MR. BOB PATTON: Certainly.

MR. MARK JOHNSON: In talking to people, especially the Carlton County Land Stewards, they talked about a microclimate around the pipeline, how it would affect the spread of plant diseases and insects and stuff like that, because that part of the soil now is kept warm during the winter and things that would normally be killed off with the frost now have a place to survive. Can you speak to that?

MR. BOB PATTON: You know, I'm going to repeat the question. The question is a term that's come up regarding a microclimate created by the pipeline because of differences in temperature, that the pipeline would be warmer than the surrounding soil, fostering organisms and so forth. I am not knowledgeable on that. I have to tell you the truth. And I'll look into what research exists regarding that. And that's a very important issue and probably something that we should make sure gets addressed in the environmental analysis.

So sorry I can't answer the question today.

MR. LARRY HARTMAN: Thank you, Bob.

It's about 1:10, I probably have about 12 cards left, I believe. So Tracy will keep you on the timer.

The next speaker card I have is Mr. Gary Hill from McGregor.

MR. GARY HILL: My name is Gary Hill, G-A-R-Y, H-I-L-L. I'm a property owner on Big Sandy Lake, just north of here, and I've been here for about 31 years now.

My thoughts about this are rather scattered and I'll try to focus on some things that came to light in the last few days when I started doing some research on this issue.

The applicant for this process needs to demonstrate some need -- or, excuse me, a certificate of need. And otherwise I could probably be swayed one direction or the other that there is legitimate and other alternative ways of transporting crude. It's probably, at least my opinion, that a pipeline probably is the best way to do it. And maybe in terms of safety, from the standpoint of human safety, which was brought up by the second speaker today.

But in terms of environmental safety and where I have a problem, living on a lake and

enjoying the recreational opportunities that that lake has had and wanting to spend the rest of my life here, I would like it not to be disturbed. And my argument is largely with the company that is applying for this certificate of need. Because their track record is really horrendous, in terms of safety, in spite of the fact that they state in their little brochure, Our top priority is to operate our system safely and reliably. In doing just a very little research for a couple of days, it's evident that that is not their highest priority and perhaps it's more to deal with revenue making than safety.

And I say this because there's been 800 spills since 1999 to 2010, spilling more than one million gallons into the environment. 91 spills in 2010 alone, spilling 1.4 million gallons into the environment. In 2009, Enbridge paid in the state of Wisconsin 1.1 million in a settlement of a lawsuit with 545 environmental violations. These violations were described as numerous and widespread. Now, $1.1 million is really small change in a company that is in the top 20 companies in Canada in terms of revenue.

In 2011, an Indian -- excuse me, an

Indian res hunter disclosed -- or discovered an oil spill that Enbridge described as a pinhole. That pinhole leaked 1,500 barrels, which is 42 gallons per barrel, and you can do the math.

So there's an issue of honesty and integrity and there's an issue of where the priorities really are with Enbridge. So my argument is really with Enbridge in terms of the company. I don't doubt that there's a need for an oil pipeline. I think that we have to provide this project to the areas of transport and distribution.

However, I do have a problem, and I would urge the Minnesota Public Utilities Commission to not approve their application until further evidence that they are going to improve their track record is brought forth.

Leaks are going to occur, there isn't any question about that. There isn't any pipeline that is secure from leaks. It's the responsiveness and willingness of the company to respond in a proper manner that are really at the heart of this matter. And the track record indicates that this company is not having a good track record in that regard.

The other issue, of course, that I have is that these spills largely are related to

pipelines that have -- at least a majority of the spills I've read about seem to have corrosion issues. And the standard for pipelines as it stands now seems to be a very low standard. It's on what I might call older, old crude oil. Or it's based on this transport of older crude oil.

Nowadays, there are products that are coming that are what are called diluent added bitumen, or dilbit is a common name, coming out of Canada, and there are other products with the thinner product that is coming out of the Bakken.

MS. TRACY SMETANA: Five minutes.

MR. GARY HILL: I'm sorry?

MS. TRACY SMETANA: That's five minutes.

MR. GARY HILL: Oh, I only had five minutes?

MS. TRACY SMETANA: Yep.

MR. GARY HILL: Okay. I didn't know that. Well, I guess I'm done then.

MS. TRACY SMETANA: If you have written remarks that you want to hand in --

MR. GARY HILL: Well, I have a question. I wanted to know what Enbridge is going to do to improve their record? Or what can they do or show some evidence that you've actually improved your

record with the number of spills over the years?

If I were in business and I had the kind of track record you had, I'd be out of business. Because the track record shows that you really have no significant improvement of safety issues.

Thank you.

MR. LARRY HARTMAN: The next speaker card I have is Greg Kullhem, and on deck after Greg would be Michaa Aubid.

MR. GREG KULLHEM: Hi. My name is Greg Kullhem. Greg, G-R-E-G, K-U-L-L-H-E-M.

First of all, I am in favor of this versus rail. I have two separate parcels on this proposed line, and they are strictly hunting. And over the years we planted trees on all of it.

My thought is, we planted them there 'cause it was an open area in the beginning. I've got -- on the first parcel I've got spruce that are 24 years old, and on the second parcel I have Norway pine that are 33 years old now.

My question is, what kind of value do you put on these trees versus just paying somebody for a right-of-way? We've put a lot of work into that. So that's my question. Thanks.

MR. JOHN MCKAY: Greg, basically -- has a

land agent met with you yet?

MR. GREG KULLHEM: No.

MR. JOHN MCKAY: Okay. So when they come out, they'll show you the proposed route across your property. They'll have a drawing that they can show you. And basically, as far as the timber value that you're talking about, we do have timber appraisers on staff, on contract, that will be able to do an assessment for the value of the timber. Sometimes there's some -- you know, we can look at routing on your specific property, too, just to see if there's anything we can do to modify the impact. But basically we want to work with you to limit the impact on your specific property and then compensate you for any type of value impact to that.

MR. LARRY HARTMAN: The next speaker was Michaa Aubid, A-U-B-I-D, from McGregor. And after Mr. Aubid I have a card for Jerry Libbey.

MR. MUSHKOOUB: Hello. Michaa Aubid will do the second part, I'm Mushkooub. I am the heredity chairman of the Rice Lake Band and I work with the Sandy Lake Band of Ojibwe also.

Our main concern here today is to let the public know about the geology. Nobody has been talking about that and I want to run over that real

quickly.

I've been dealing with this for six years myself now. If you look at this map real quick here, as you can see it's Minnesota, and here on this duct tape that I've got around on the center of this map is what surrounds us here in Aitkin County.

And as you probably all know, you said a little bit about the glaciers and stuff like that. Aitkin County is a glacial plain. There are a bunch of hills scattered here and there, the Sandy Lake hills, Quadna, and down by Aitkin and then south of us around Rice Lake and toward Tamarack.

And the reason why I mention this is because we are on the downside of the Continental Divide. It runs approximately from Floodwood down to Hinckley. And this Continental Divide makes it all come down to us here. And the reason why I mention that is, is here in Aitkin County is some of the famous wild rice beds, manoomin. And that's what we are concerned about. We're concerned about the hard rock mining that they are proposing around Tamarack. And the reason for this is because most of the area south of where the pipeline is going to be is wild rice.

Now, the Ojibwe people, you know, have

replaced a lot of Indian people before us, Lakota, the Woodland people, and stuff like this and they all used wild rice. The Ojibwe came here because, according to legends there, they were supposed to come back to the land where the food grows on water. They came back. They ran into the Lakotas, wars happened, and the Ojibwes prevailed.

Now, in the seven generations we've been here we've been protecting this wild rice and we'd like to share that experience with you by helping us protect it.

We are protecting seven generations in the future for this wild rice, plus our trees and our clean water. Air, water, earth. That's what we are here to protect.

So, you know, we hope that, you know, the people who are sponsoring the meetings, the pipeline people and stuff like this, they realize what's going to happen in this extremely sensitive country here of Aitkin County.

We are in the basin. Rice Lake, where our village is, is the bottom of Aitkin County. The very bottom. And when we had this 500-year flood, all the water was flowing down from Cromwell over this way and it was flowing toward Rice Lake and

Aitkin. It all goes that way because of the tilt of the land and the bedrock.

Thank you for your time. Michaa Aubid, who was supposed to take this spot here, just wanted to mention a couple of things about how the unknown treaty rights are going to impact this.

MR. LARRY HARTMAN: Could you spell your name, please?

MR. MUSHKOOUB: It's M-U-S-H-K-O-O-U-B. Thank you.

MR. MICHAA AUBID: My name is Michaa Aubid, M-I-C-H-A-A, A-U-B-I-D.

I'm a member of the local wild rice committee and the local Indian bands here that reside in Aitkin County. So that's my uncle who gave you a brief overview there of the sponge and the water world that we all live in.

I also want to bring to light there that, as most people had mentioned, you know, all of us depend on water here in Aitkin County, whether it be one way or another. And our local Indian concern here is, as my uncle stated, we are here to protect this water and protect this land and all that this water provides us as Indian people and also all of the other residents of Aitkin County who are so

dependent on this water.

Now, that sponge water world on the map there that all of you know about, you know, any sort of integrity or leak in the pipeline, you know, damages a widespread range of area here in Aitkin County. And so besides those environmental factors that worry us and concern us here, there's also these, as my uncle stated, the treaty rights that the Indians have here in Aitkin County.

Now, most of you may know or may not know that through a series of treaties, you know, these rights were guaranteed that the local bands here at Sandy Lake and at East Lake, and one of the most prominent agreements there was the right to protect our wild rice.

So we feel that, you know, this pipeline here that's going to come through Aitkin County, you know, seriously damages the integrity of the future of our waters here, the wild rice, the fish, and the maple syrup. So we're looking to these treaties to help define, you know, what protections we have here for our waters.

So the local bands here, you know, of East lake and Sandy Lake, you know, we reject the permit here of building this pipeline through Aitkin

County.

Thank you.

MR. LARRY HARTMAN: Thank you.

The next speaker card I have is Jerry Libbey.

MR. KEVIN WALLI: Can I just make a comment here?

MR. LARRY HARTMAN: Yes.

MR. KEVIN WALLI: Thank you for your comments. And during the course of some of the previous public meetings we've also had issues raised with respect to sensitivity of wild rice lands. And this is the time to raise those issues because they can be considered as we pursue the environmental review for the project.

So thank you for your comments.

MR. GERALD LIBBEY: Hi, my name is Gerald Libbey. Jerry Libbey, that's my name. Wabeskibenaze is my Ojibwe name, W-A-B-E-S-K-I-B-E-N-A-Z-E.

Okay. Your proposed pipeline that your people want to put in our ground will contaminate our land and our water, rivers and streams, and our bog. The bog is our filter system to clean the rain water and the watershed from the pesticides that our

local farmers use around the area, and the snow melt, and will destroy our way of life forever.

The pipe will leak the oil to the land. The oil will leak. This is the land of 10,000 lakes, remember. Nowhere in the world does the wild rice grow, grow naturally. It's bad that we have other problems that we have besides this pipeline running through our properties. I know all these property owners of the land are greatly concerned, as well as I am.

The Bakken oil field is just not even 110 miles to the west of us and are releasing fumes into the air that are not visible and are going into the air that we breathe. And it also travels through the rain and snow. And in the winter again. The great Mississippi River, that gives us life to us all, the planned route, the oil pipeline passes several times across the Mississippi River and will leak into our water aquifer that a lot of people talked about earlier. That is a river, this is the world's biggest river of fresh water in the world.

Again, a lot of people rely on that for agricultural purposes, you know, hunting, fishing, trapping, wild rice, crops and such. So why do you people want to destroy our environment and most

importantly kill us?

Again, the people need more time to know more about the pipeline. This is moving too fast for us. We just need more time. The property owners around here are greatly concerned, as well as I am. And this will affect us for the rest of our lives if we don't address it now.

Thank you.

MR. LARRY HARTMAN: The next speaker card I have is Sandra Skinaway. And after that I have a card for Gordon Prickett.

MS. SANDRA SKINAWAY: Good afternoon. Hello. Anyone hear me? Hello.

Okay. Hi. My name is Sandra Skinaway, I'm a member of the Fond du Lac Band of Ojibwe just north of here.

COURT REPORTER: Can you spell your last name, please?

MS. SANDRA SKINAWAY: Skinaway, S-K-I-N-A-W-A-Y.

And I just want to say on record that we are opposed to this pipeline. As, you know, our elders have always told us, there's four orders of life. And the first being the earth, the second being the plant world, and the third being the

animal world, and the fourth the human world.

And we're -- it's our responsibility to take care of the other three orders of life because they can't exist without us, we can't exist without them. And this pipeline, you can't guarantee that there won't be no leaks and then damage the environment. And it's our responsibility to protect our environment, you know, for all living beings.

And I guess that's all I wanted to say today. Just coming on record to oppose it.

MR. LARRY HARTMAN: Gordon.

MR. GORDON PRICKETT: Thank you. Is the microphone is on?

My name is Gordon Prickett, P-R-I-C-K-E-T-T, G-O-R-D-O-N.

I'm the president of the Aitkin County Lakes and Rivers Association. It's a coalition of 20 lake associations around Aitkin County. I am a former chairman of the county planning commission. And I'm a columnist for the Aitkin Independent Age. I write a Waterworks column, water qualities is my topic.

But before I ask the five questions that I came with when I arrived, I want to introduce to the record a publication called Aitkin County

Naturally, Your Birding and Nature Trail Guide. So I'd like to talk about birding.

And there's several things about this guide. I was at the courthouse talking to an executive in the land department, and this person told me that this pipeline was a done deal. I said what about the county attorney? Oh, I don't know. I thought I better get to this hearing and get some information about it. I'll form an opinion when I get all the information from this hearing. I'm not here right now to either support or oppose it, but I'm here to learn more about it, and those are the five questions.

But in this Birding and Nature Trail Guide, there are maps across the county. But also I think we should look at the front, and there you will see the History of the Mille Lacs Band of Ojibwe. Very interesting information from the Mille Lacs Band. And then there are three pages of the geology of Aitkin County, we haven't heard too much about the geology, but this publication will be in your record and you can learn more about it.

And, finally, there is a section on land use cover descriptions. There's a section on Aitkin County lakes and FSC certified forests. And several

of the people in this room were part of the FSC forest certification project, and that's where the land department official comes in. We do have very good sustainable forestry in Aitkin County and we protect our lakes and forests.

Also, we are a tourist attraction for birds. And all of the important birds in Aitkin County are detailed here.

And now very briefly to my five questions.

What was the predecessor corporation? One of your Enbridge people told me that it used to be a Lakehead Pipeline before it was Enbridge. There was an advertisement, Enbridge has been around here 65 years. Well, 23,741 days, they're putting a lot of advertisements into our local papers. But we were looking at Lakehead Pipeline before we were looking at Enbridge pipeline. And then there is the North Dakota, LLC. The name has changed in the corporations and they're hard to keep track of.

There are other North American pipelines that carry crude oil, they carry fuel oil, propane, they carry natural gas, and we've learned about intrastate and interstate, different organizations that inspect them.

Finally, the safety record has been pretty well covered by some of the questioners. I knew about a spill in Michigan. I've learned a lot about your plans for inspection, flying your pipelines every two weeks. I used to work for a power company where we flew our high voltage transmission lines every two weeks, I'm happy to see your pipeline is using the high voltage transmission corridors.

Your accident response has been mentioned. And when we talk about accidents and leakage, whether you're 30 inches down, three feet down, 48 inches, 54 inches, we should know that the frost penetration in this area is between six and nine feet right now. So there's a question about frost penetration like never before in 2014. What's happening to the pipelines with the frost going down six, seven, eight, nine feet in this area?

And, finally, why not use existing corridors? One of the seven unnamed folks here, I tried to get business cards from all of you, there are none. Why not use the existing corridor for the Bakken crude oil? I was told that the corridor that cuts the tip of Aitkin County is used to capacity. I haven't seen that, but that was the conversation.

One more time, think about the frost. And with that, I'll wait for answers to my questions.

Thank you.

MR. MARK CURWIN: Thank you, Mr. Prickett.

I'm going to take your questions about the entities and the names and then Barry will speak to your questions about the frost and the existing corridor.

With respect to the name, you are correct that it was Lakehead for a long time. The company has been here for like 60 years or more.

MR. GORDON PRICKETT: 65. And when did it change?

MR. MARK CURWIN: It was merely a name change, and it was in about 2001. So we changed the name from Lakehead Pipeline Limited Partnership to Enbridge Energy Limited Partnership. It was nothing more than a name change.

With respect to North Dakota, that's a new name, you're right. But, again, it's a name change. What has happened is, in discussions in deciding whether to move forward with the Sandpiper Pipeline project or not, one of our principal

customers is Marathon. And we have reached agreement with Marathon whereby they are paying for a significant portion of the project, approximately a third, and also are taking an interest, about a 25 percent or so interest in our North Dakota system. And that has already occurred, that transaction has been completed. And then subsequent to completing that transaction, Enbridge Pipelines North Dakota changed its name to North Dakota Pipeline Company.

MR. BARRY SIMONSON: Mr. Prickett?

MR. GORDON PRICKETT: Yes.

MR. BARRY SIMONSON: Thanks for your questions. Barry Simonson here again.

In terms of your question regarding frost. And there is a federal code as well as a state PUC code in terms of depth of cover. And that is for all utilities, whether it's natural gas or crude oil. So there are many thousands of miles of pipelines, as you know, that are at the depth of cover that we're placing Sandpiper at as well as the others Enbridge owns and others do too.

So there are calculations that go into our design. There's load calculations, stress calculations. Steel pipe, as you may or may not know, is flexible. Although the fact that this is

crude oil and the temperature is between 45 to 60 degrees, frost would not affect the pipeline at the depth of cover that we're installing it at. And that goes for natural gas pipelines also that have been installed.

In terms of the corridor. The Enbridge corridor that you alluded to earlier does have six to seven pipelines, depending upon the location within that corridor, from the border down to Superior. We did look at that route alternative and the problems that that corridor imposes is there are population centers that are being encroached upon with six pipelines. Obviously, there's Bemidji, there's Cass Lake, and then there is also Grand Rapids, Cohasset.

In addition to the sixth pipeline that was put in back in 1999 to Grand Rapids, and an additional transmission line that was placed adjacent to the existing corridor that Enbridge owns and operates the pipelines in. That being said, there is many reroutes that would have to happen that would increase the clearing with the Chippewa National Forest itself, which would pose an issue.

MR. GORDON PRICKETT: Thank you.

MR. LARRY HARTMAN: The next speaker card

I have is Timothy -- and, I'm sorry, but I can't quite read the last name. It starts with an A, a resident of McGregor.

DR. TIMOTHY ARNOLD: That's me.

MR. LARRY HARTMAN: Are you a doctor?

DR. TIMOTHY ARNOLD: Yes. How did you know?

MR. LARRY HARTMAN: By the handwriting.

DR. TIMOTHY ARNOLD: So right from the beginning. So my last name is Arnold, A-R-N-O-L-D.

As already stated, I'm a physician here, I work for Riverwood Health Care Center, the local health care facility here. I think we are probably the largest employer in the county. I can ask numerous scientific health-related environmental questions, but I think I will skip that as numerous questions have already been asked about that.

My question is really more about the economics. You've already talked a little bit about if there is a leak, and I'm going to ask this question under the presumption that there will be a leak. Okay? I'm just going to take that presumption with the question.

So let's make the assumption that there will be a leak. If there is a leak, you had talked

about having each individual landowner compensated. My question is really more about the community in general. We saw here with the flood two years ago that our community is very much dependent on the environment, both in terms of the tourism in the summer, but also in terms of who lives here. Do they buy property here? Do they live here year-round? You know, what happens to all the local business owners with that type of economic flow? And that economic flow is based on the lakes. And I think that's pretty reasonable to assume.

So if we have a leak and we have a negative impact to our watershed here, what type of economic plan does Enbridge have developed to not only compensate the individual landowner, but it's really a community compensation that would need to occur.

All of the business owners here would be negatively impacted by the lack of tourism, the lack of buying homes, selling homes, upgrading their house, doing constriction on their house, that kind of thing is all going to drop off. So what is the economic plan that Enbridge has for the larger community if there were a leak? Again, I'm asking the question based on the presumption that there

will be a leak. And that impact needs to be answered both in terms of short term as well as long term.

The example being our school district here is very much dependent on having landowners who own cabins, having businesses that are working correctly. You know, businesses are dependent on people buying and selling houses here, living here. So what happens to our school district? What happens to our roads and our bridges, what happens to all of the business owners that live here and work here?

I think it's fair to assume that we live in this county economically. We don't have a lot of reserve. We are based mainly on the environment. If there is a leak, that's a threat to our environment and therefore a threat to our schools and our jobs and all those sorts of things. So what long-term economic plan does Enbridge have to help this community if there is a leak?

MR. MARK CURWIN: Thank you, Doctor. Legitimate concerns, obviously, legitimate concerns for all of us. You know, we live and work in these communities as well. Everybody sitting on this panel, other than Art who lives in Minot, we're all

locals as well. We live in the area. The preservation and use of natural resources is just as important to us as everybody sitting in this room. And absolutely those are legitimate concerns.

DR. TIMOTHY ARNOLD: You know, we are very dependent on the environment. We felt that we would really drop off very, very quickly and businesses would close very, very quickly.

MR. MARK CURWIN: I understand. And I think -- I guess the -- I'll try to approach it, in essence, in the way of a case study. And it's our Kalamazoo incident, our Kalamazoo River incident in July of 2010.

Myself, I spent six months there before I essentially left. And spent most of the next two years there addressing the concerns of the local communities. Other people sitting at this table -- John McKay has spent much of the last four years involved in our response efforts to that community.

And I'll just give you some examples of what we did that we believe is reflective of how we respond and how we are truly part of the communities that we operate in.

The Kalamazoo River is a very -- it's a fairly narrow, windy river that was not very

accessible in the area that we impacted. One example is we constructed five new access sites of our own free will, of our own doing, once the river was clean, and when people were able to get back on the river and use it. We constructed new access points, we bought property and made that public so that people could access that river more than they could in the past.

We developed a number of compensation programs, one of which was a home purchase program. Because we wanted to make sure that property values were not affected by that incident. And we made that program available to every homeowner that was in the affected area. And we purchased somewhere around 150 properties. And we purchased them, frankly, at elevated prices, and we didn't question the prices.

Another example. Certainly we had no obligation, because most of those properties were not affected by the incident, but we didn't want the community to be affected by it, we didn't want people to come in and take advantage of people and say, well, your property values must have deteriorated because of this incident and come in and start trying to buy properties at discounts.

DR. TIMOTHY ARNOLD: The question really pertains to the economic engine. And the economic engine is the people that live here and play here and work here. You can buy houses, you can buy 150 houses, you can buy 1,000 houses, but that doesn't change the economic engine that keeps this community alive. That's what the question is getting at. Not whether or not you bought houses or you put in access points to a lake or a river.

It's the economic engine that keeps the community going, keeps the schools open. And that is only dependent upon people living here, working here, and playing here. And they won't do that if the watershed has been negatively impacted. That's the heart of the question. It's not whether or not you bought houses.

MR. MARK CURWIN: We've worked with every individual who's come through the door with us in the last four years in that community. Not just individuals. Businesses, associations, trail way associations, the watershed districts. We have, frankly, probably been the single largest economic engine in that community for the last four years.

And I think if you went there and you talked to some of the business leaders, the Chamber

of Commerce and the mayors and things like that, they would speak very highly of the efforts that we took in response to that incident to protect their communities, to ensure that they continue to be viable from an economic standpoint.

DR. TIMOTHY ARNOLD: What type of things? Can we get it in writing or documents to outline this? I mean, you can tell us this, but I need to understand.

MR. MARK CURWIN: We have a lot of information about that. And absolutely we can share that with you.

DR. TIMOTHY ARNOLD: And I think all business owners here would want to see that as well.

MR. MARK CURWIN: Yes. We can get you some. And I'll get your contact information and we'll get it to you right away.

DR. TIMOTHY ARNOLD: Thanks.

MR. LARRY HARTMAN: The next speaker is Brian Napstad.

Doctor, I thought I was destined to be a doctor when I was in fourth grade. My fourth grade teacher was my aunt, I was left-handed, she failed me in penmanship. So I understand where you're coming from.

MR. BRIAN NAPSTAD: I hope you're able to read mine better.

MR. LARRY HARTMAN: Much better.

MR. BRIAN NAPSTAD: My name is Brian Napstad, N-A-P-S-T-A-D, Brian with an I.

Before I get started, the first thing I'd like to do is welcome you to my commissioner district. I am the fourth Aitkin County Commissioner representing the fourth district, and you are sitting basically right in the middle of my district. It goes over to Tamarack and then over about to the Mississippi River. So I'd like to thank you for being here.

Regardless of whether the audience is for or against this project, the fact that you've come here to present the project and listen to people's concerns is appreciated. So thank you all for being here for that.

What I would like to do is, first of all, mention that, as was pointed out earlier, I am the chairman of the Minnesota Board of Water and Soil Resources. I'm also the vice chairman of the Minnesota Environmental Quality Board. I am the Aitkin County designate to the Mississippi Headwaters Board, a joint powers board of eight

counties which represents the headwaters of the Mississippi and Aitkin is one of those counties.

What I'd like to do is offer some questions that relate to a report that's available at the Mississippi Headwaters Board, and I think it's available online as well. And this is a report that alludes to an event that happened in 2002, July of 2002. It was mentioned earlier that there was an event, a spill that occurred up in the Cohasset/Deer River area. The report is extensive, it was drafted, I believe, by our oversight agency, the Federal Pipeline Commission, I believe it was. It's available online. Basically it talks about an event that occurred in Deer River or Cohasset, it can be reported on as. It was a 6,000-barrel spill. It happened in July of 2002.

The report, summarizing it for the audience, is that at 2:12 a.m. on July 4th, 2002, an operator in the control center was notified by audible and visible alarms that there was an unusual condition. The condition indicated loss of vacuum, which could indicate some sort of a spill. At 2:13 a.m., a minute later, a supervisor was notified and determined that there was, in fact, an unusual condition that could be a spill, and by 2:15 all the

valves were shut down and, you know, the response team was notified and so forth. So in a three-minute period, a lot of things happened. And I think it would state that you're in control of things, things were happening quickly. Nonetheless, 6,000 barrels were released.

The report goes on to conclude that the cleanup basically occurred, approximately 2,500 barrels were recovered, approximately 3,000 barrels were taken care of in an in situ burn. In other words, they basically burned off the swamp and much of the oil. And then approximately 10 percent was lost to evaporation and soaking into soils. So you had a very, very rapid response, a couple of minutes, to a leak condition and 6,000 barrels were released.

Here's my question. The conclusions of the report were that the longitudinal welds by the manufacturer when the pipe was manufactured were treated in such a way during handling that they were overstressed, and due to the pressurization, depressurization cycles of the oil it caused that pipeline to burst, resulting in a 66-inch tear in the pipe.

My question is, number one, what did you

learn from that that you're going to be applying here so that that's not a concern that we have to have in our minds?

Secondly, you are crossing a number of sensitive resources in the headwaters region, the Mississippi River in Aitkin County, the Willow, the Mississippi and the Sandy. You had talked about installing five block valves. What I'm wondering is with the location of these five block valves, in the case of an accident, how much oil would we expect to see leak and what can be done with additional block valves to ensure that any future events are minimized?

So, basically, that's the -- I guess the question is in these pressurized lines, obviously the oil is going to leak faster when it's pressurized, when the pressure is lost they continue to leak. What can we expect, given your current plan and the spacing of the block valves? Would we expect to see leak out of the pipe given a similar response time that was responded in Deer River of mere minutes?

MR. BARRY SIMONSON: Mr. Napstad, thanks for the questions. They're good questions.

I'm not -- I'm not familiar with that

line that you're speaking of in Cohasset. But what I can tell you is that we -- when we procure our pipe, which we have preferred vendors, or vendor, I should say, that we're utilizing for Sandpiper, we have specific specifications internally that require them to manufacture the pipe to API standards, so the manufacturers have increased the standards on pipe.

In terms of welding, you spoke about longitudinal seams. The 30-inch pipe will actually be potentially longitudinal, which is right across, or will have spiral welded pipe for 30-inch. And in terms of that, at the actual mill we have inspectors that are at the mill, a third party that inspects when they're manufacturing the pipe itself, all of those welds that are done mechanically at the mill are x-rayed, and they're also pressure tested prior to us receiving the pipe and prior to that pipe being coated with fusion bond epoxy.

Once that pipe is inspected and loaded, whether it's rail or whether it's truck, we have inspectors that inspect the loading of that pipe and the transportation of that pipe from point A, which will be in Canada, to point B, which will be at various pipe yards that we have. Once that pipe

gets to those locations, we have inspectors that inspect the pipe as it's unloaded into the pipe yard itself. So in terms of the inspection of the pipe itself, we have rigorous standards and specifications that we have other inspectors and companies that we procure pipe through to uphold during that process.

In addition to that, I want to talk briefly about the welds that go with the circular. The joints of the pipe, which are 70 to 80 feet in length, each pipe joint is going to be welded either by -- 24-inch will be manual welded by welders. The 30-inch might be manual and/or mechanical, so there might be mechanized welding being done.

Once those welds are done, once those welds are completed, there's a rule that we -- that the federal government, DOT part 195, has in place that standard that we have to inspect 10 percent of the welds that are produced every day by each welder. So 10 percent of the welds, by code, have to be inspected.

What we do is we inspect 100 percent of the welds, in terms of nondestructive testing or x-ray. So we x-ray every weld on that pipeline. Prior to or after the welds are completed and/or

passed, we then coat the welds with fusion bond epoxy, which is a protective coating on the pipe, and then the pipe, once it's in the ground, we hydrostatically test that pipe to 100 to 110 percent.

Well, what does that mean? Well, the maximum operating pressure that we have for the pipeline is 1,480 psi. When we hydro test the pipeline we'll be testing it to around 2,300 pounds, which then, by DOT standard, and we have eight and a half hours long, we'll then go on record that our pipe is safe to operate at 1,480 psi, the maximum allowable operating pressure.

Does that answer your question?

MR. BRIAN NAPSTAD: It does with regard to the pipe.

What about the block valves? You're talking about five block valves over the course of about 42 miles. Would the installation of additional block valves give greater protection in the event there's a release?

MR. ART HASKINS: Art Haskins.

A very good question. So additional block valves would not necessarily change the amount of release in between those. So it's not just the

location of the block valve, it also has to do with the terrain and the flow through that area.

When we do shut down the pipe, it's pressure and as well as the travel to the valve, so, you know, that time frame is appropriate based on exactly what you said. So we're looking at just a couple minutes there. The flow doesn't -- it's not just a single block out, you close the two valves, and it creates like a -- so that it doesn't release all the rest of the liquid in that pipe.

And if you put a straw in a glass of water and put your finger over the top of the straw, you pull it out, it'll hold that in there. So when we close those block valves, the total distance in between there does not continue to release out there. And then you can actually cap that and pull that oil out of that pipe. So just because there's a further distance, and I'm not, once again, 100 percent familiar with all of the areas, but I know that in some areas proposed there may be up to 50 miles difference between one valve location and another valve location. The total amount for these out of there is not necessarily higher than anywhere else.

MR. BRIAN NAPSTAD: Thank you.

MR. BARRY SIMONSON: I had one other comment to your question, Mr. Napstad, with regard to location of the valves. If you look at Aitkin County and you look at the river system, systems, there is going to be on the Mississippi River a block valve on the west side of the Mississippi and the east side of the Mississippi. At the Sandy River there will be a block valve on the west side or east side, or north and south. In addition to that there's another valve west of the Mississippi that would be installed.

So we're very cognizant of the concern of the water quality and that's part of the reason why we're putting valves at those locations strategically.

MR. MARK CURWIN: Just a couple other comments. Obviously, we learn lessons from everything. And I wouldn't say that specifically because of the 2002 incident that we have improved up our quality control, but certainly it's our own process of self-examination, and we're always trying to improve ourself and improve the safety margin of our operations.

And I can say that our internal quality assurance, quality control programs that we have,

like you were mentioning, Barry, that we have folks who are in the mills now watching our contractors put this pipe together before we take custody of it. Things like that are the types of processes that we continue to try to strengthen and improve constantly. And certainly in that regard, our own quality control of the work that others are doing for us before that equipment gets to us, we raised the level of that significantly over the last five to ten years.

Also, then, with respect to you had asked what amount can we expect. We can't say today. How that works, as Art mentioned earlier, is that we're in the process of preparing -- obviously we have to go through the process to determine whether or not the pipeline is even going to be built. But in parallel to that we have to prepare to operate it should it be built. And part of that preparation is having a full-fledged emergency response preparedness plan in place, as Art mentioned. And part of that is we identify the sensitive resources that the pipeline will cross and we build plans to respond at all of those locations.

And when we look at something like a river or a lake or a stream, what we have to plan

for is what's called in our business the worst-case scenario. So we do calculations based on the location of the valves, things like that, as to what the potential could be in a worst case, and we build our response plans to that level.

And so, again, we're trying to build as much of a safety margin as we possibly can. And, in fact, we're in the process of planning right now to engage with your local community first responders and other stakeholders to do an emergency response table talk, where we will sit down with your first responders and others and kind of walk through what it would look like if something happened. What we would do, how we would respond to it, how we would go about controlling the effects of an incident.

MR. LARRY HARTMAN: I have two speaker cards left. Brad Hageman and Bruce Johnson. So, Brad, why don't you come up.

And Barry, I have a question for you. You mentioned something about when the pipe is shipped from the factory it comes precoated with fusion bond epoxy, and then in the field if there's deficiencies in that you can also apply it in the field, then?

MR. BARRY SIMONSON: Yeah. Mr. Hartman,

we do, once the pipe is rolled it is coated with fusion bond epoxy in a controlled environment right next to the actual mill itself that makes the pipe. Once the pipe is welded, it is then coated with the same coating. The welds are a 12-inch cutback when it ships, so it can be welded, and then we install or apply a uniform fusion bond epoxy to that pipe. And then once the pipe is ready to be lowered into the ditch we use what's called g pinning (phonetic), and essentially the contractor has to induce an electric current on that pipe. And there's a little area where it might be scratched and then we fix that pipe. So we have quality inspectors, third party, that are monitoring the contractor as it is placed into the ground to make sure that that coating is uniform.

Does that answer your question?

MR. LARRY HARTMAN: Yes.

MR. BRAD HAGEMAN: If I could further ask, on Napstad's question, how often is that 6,000 psi done? Yearly, every year? You said you run a pressure, I imagine that's at the beginning. What about a year later, two years later, three years later?

MR. BARRY SIMONSON: No, we don't rehydro

test the pipelines once it's established as far as hydrostatic testing.

MR. BRAD HAGEMAN: My name is Brad Hageman, B-R-A-D, H-A-G-E-M-A-N.

First off, my question is, and I apologize if I missed it, I wasn't here the first 40 minutes. The Soo Line Trail, why are we not looking at that route? Was that addressed at this meeting?

MR. BARRY SIMONSON: No, that question has not been addressed and I was waiting for that question to be asked.

Initially we did look at various routes for this project, and so we did look at various alternatives and we were approached by Cass, Aitkin, and Carlton County as to why we weren't utilizing the Soo Line Trail. And from an optical perspective, if you look on a map it makes sense, right? It does. When you look into it more deeply, there are various factors that would prohibit safe construction and installation on that Soo Line Trail. What we found out is there is a potential for fee ownership for around 80 feet width, 80 to 100 feet width of that Soo Line Trail that a pipeline or a utility could be installed in. The issue with that is the Soo Line Trail, through many

areas, is very remote in terms of roads. So access, once the pipeline was installed, would become a potential operational issue for monitoring, et cetera.

In addition, from a construction perspective, you look at the Soo Line Trail itself, if you bisect it, you can't build a pipeline in the middle of the Soo Line Trail, you have to build off it. The problem with that is that there is very -- the 80-foot width would be cut down to 40, and that will even be reduced based on the trail itself being there. So when you look at the land use that we're looking at for construction is between 120 feet of temporary work space and upwards of 95 feet work space in wetlands, is that there would be other property owners adjacent to that and other trees that will be cut down through there.

In addition to that, there's additional winter construction. When I say winter, weather related construction that would need to be conducted based on saturated wetlands. So we did look at that extensively and found that that wasn't a viable route for Sandpiper through the three various counties.

MR. BRAD HAGEMAN: Okay. Thank you for

that.

This has been a frustrating process. Two months ago I sent a letter to Larry Hartman, the environmental review manager in the Environmental Review and Analysis group -- quite a title -- at the Minnesota Department of Commerce. Not once have I heard back from him. The contact for this issue was exactly that, the Soo Line Trail.

You know, I guess I could argue a little bit with that accessibility if it was put off to the side. There's constant traffic winter and summer along the Soo Line Trail. The route proposed will affect my land, as others, negatively. I don't doubt I'll see benefits and lower prices of petroleum products. Will this be the case?

Property value will decrease, this is according to Forensic Appraisal Group, Limited, experts in condemnation appraisals. Will there be any tax abatements? I plotted off the property, I'm two miles north of here where it's going to go in your proposal. I plotted off an acre and a half 13 years ago, and I did this in the process of maybe ever having to sell and having some extra money.

I can no longer place a structure, a septic system, near that area. I was offered 40,000

a few years back by the -- I don't want to say Church of Christ, the Jehovahs, they wanted my property for their church. They chose to go elsewhere because I wanted 50,000. If I ever sell that acre and a hal I can no longer do up to 400 square feet, an acre and a half, approximately one-tenth of that acre and a half.

Sorry, excuse me, I need water.

Longevity of the pipeline. I used to run a concrete pump. It had strong structural pipe. After about a year or two years, depending on the volume, it will wear out, it will leak.

Other things. Name changes. I have Hageman Homes, Incorporated. I'm a home builder. I would not change my name, I take pride in it. Any time anyone in the business of construction -- when they change their name it's to hide something. I don't say that that's the issue here, but that is what I have seen in my area.

I'm in a forest stewardship plan right now on my property because I had a ten-year plan to retire up here. The forest stewardship plan was to plant trees in exactly this area that you are now proposing. Will you let the site go back to a forested area or will it be kept clean? I'm not

sure on what your plans are there. I have a seven-year grove of apple trees that I planted that will be affected.

My property is on -- it's a high consequence area, HCA, and my property is a half mile from the Sandy River. My hills drain directly into the Sandy River watershed into the system which is just north of here which goes to Sandy Lake.

You propose putting it in approximately three feet, four feet. Up in my area the clay is at one foot below the sand. It runs two feet. Once you penetrate through there you will alter the wetland. This is not my word, it's the DNR's. They stopped me from putting in a pond deeper than four or five feet because of it.

The pipeline will probably alter the wetlands, as I believe you will be going lower than what my clay is in my area. As a contractor, it's ironic that just a few weeks ago I got a publication for pipeline safety. We heard a lot and enough of that. The pictures are horrendous, from what I have here.

We heard about the oil spills out in North Dakota. There's also the Mayflower in Arkansas. I think we need to put our time in

renewable energy resources, into solar and wind. I heard of a person who just did that, $30,000, he received rebates, he only had to pay about $8,000. This is where I think our money and time needs to go to.

I don't want this pipeline. It's not good for my back yard and it's not good for the area. There's one thing I've learned in my education, as I am also a teacher. The Native Americans are our true land stewards and know best how we should live.

Thank you.

MR. LARRY HARTMAN: The next speaker or card I have is for Bruce Johnson. And I also have two more. One is one I just overlooked, and it's my fault, and that's for Craig, F-A-U-T-S-C-H, so if you want to follow Mr. Johnson, I'd appreciate that.

Thank you.

MR. BRUCE JOHNSON: Bruce Johnson, B-R-U-C-E, J-O-H-N-S-O-N. I'm the president of the Big Sandy Lake Association. And Mark did a great job of explaining the mission statement of the association.

I wanted to, in addition to what he said, let you know that we represent 975 individual

lakeshore owners on Big Sandy Lake. We're very concerned about a possible leakage of the pipeline.

I have three questions that I want to ask and I don't mean the first one to sound rude. I've changed it from what I originally had because it's been asked before. I'm going to ask you, if you wanted to put this pipeline in the northern corridor, first is the answer yes, that you could, or no, that you couldn't? And second, how would you do it?

My next question is I read an article, or I noticed in the Minneapolis Star Tribune that talked about a permit that Enbridge was requesting to increase the pressure in their oil pipelines. I don't understand it, and I noticed that it was a significant increase. But apparently it requires approval from someone and you're asking for a permit. I'd like to understand that a little bit better. And then I'd like to know what kind of pressure we'd be talking about in these pipelines. Are they the lower limit or the higher limit?

And the last thing that I want to point out is our flood area. When we look out the window to our left here, Highway 65 was completely underwater two years ago. You couldn't drive

through, you were either on the Big Sandy side or you were on the McGregor side and you didn't go across. That is the same area you're talking about putting the pipeline.

Your rescue attempts, or any physical attempts that you're going to make to recover or to fix or to replace pipelines during a flood time, which is probably when it's going to happen, it's going to be the worse possible time, are going to be very difficult because of our flood situation. And then, secondly, because of our flood situation the water is running so fast that, you know, even hundreds of gallons will be in Big Sandy in the same day, let alone, you know, thousands of gallons in three or four days.

So that's the end of my questions, the end of my statement. I'm worried about your flood response, or your response for oil spills because of the floods, and then the other questions.

Thank you.

MR. BARRY SIMONSON: In terms of, I think I covered the northern corridor before, it would be very difficult to build a new pipeline through that area based on the factors that I talked about in terms of encroachment upon businesses, homeowners,

population centers. I talked about Bemidji, I talked about Grand Rapids, Cohasset, Cass Lake. And then also --

MR. BRUCE JOHNSON: That is really why I asked the question the way I did. Suppose you wanted to, how would you do it? You know, I mean, you've said we can't do it because of population areas or we can't do it because of maybe seven pipelines in one corridor. I mean, are there possibilities of replacing a pipeline? Are there possibilities of additional permits? Are there other ways to do it? That's really what I'm looking for.

MR. BARRY SIMONSON: Interesting question. In terms of, you know, the analysis that we do in terms of our routing is really the alternative that we have for routing based on the northern corridor having the encumbrances that I talked about is going to the south. That is the reason we are doing that and that is why. We're following existing corridors as best we can, we're eliminating population centers, trying to mitigate any ecologically or sensitive areas and doing that the right way.

MR. BRUCE JOHNSON: I don't really mean

to put you on the spot, but another thing that I just thought of is you're running the 24-inch line in an existing corridor, and when it changes to 30 inches then you move up to the southern corridor. Is there any possibility you could offer a 24-inch corridor and stay in the -- or a 24-inch pipeline and stay in the northern corridor?

MR. BARRY SIMONSON: In terms of diameter specific, there is a huge difference in pipeline construction between a 24- and a 30-inch pipe. So the work space that's needed, just to give you an example, is the same for the 24- and 30-inch based on safely constructing the pipeline.

MR. BRUCE JOHNSON: Then how did the 24-inch fit in the current corridor?

MR. BARRY SIMONSON: There is only one pipeline that goes from Minot, essentially, over to Clearbrook, line 81, an existing 16-inch pipeline. If you look at that route, there are -- we avoid population centers as best we can and not encroach upon any of those issues that I've covered earlier.

And then in regard to the pressure question that you asked, the maximum allowable operating pressure is 1,480 psig, but the operating pressure that we would most likely run Sandpiper at

is between around 1,000, 1,000 psi.

MR. BRUCE JOHNSON: And that's not an increase from what you're doing now, or is that what you would be doing in your other pipelines?

MR. BARRY SIMONSON: In terms of the pressure for the maximum allowable operating pressure, there's a safety factor that the federal government places on the design of the pipeline, which is .72. So in order for us to establish that MAOP and to design the wall thickness and the grade of the pipe appropriately, there's a formula that takes place in that .72 factor that's factored into that MAOP.

MR. BRUCE JOHNSON: Okay. Thank you.

MR. MARK CURWIN: You had one more question about --

MR. BRUCE JOHNSON: The flood issue.

MR. MARK CURWIN: Well, you had mentioned something about a permit where we're trying to increase pressures. There's another project that's in front of the PUC now on our Alberta Clipper pipeline. We're not trying to increase the pressure, we're trying to increase the capacity. So it was permitted in 2009 when it went into service to operate at 400 or 425,000 barrels per day. We've

been -- we've been working to increase the capacity of that line in two phases. It's been approved by the PUC to increase the capacity to 570,000 barrels already, and we have an application in front of the PUC now to increase that further to 800,000 barrels a day. So it's not a pressure increase, it's just the pipe is capable of taking that much product already when it was first built, we're just asking to be able to flow at that increased rate.

And I'll let Art speak to the flooding issue.

MR. LARRY HARTMAN: And the capacity increase would be by adding additional pump stations.

MR. ART HASKINS: And just to finish that. With a pump station in Clearbrook, obviously when you leave that station it would be at our operating pressure, by the time it gets to the other end it would be significantly less. So that's where the calculation of how many barrels per day is currently. And so if you add another pump station, you're not increasing beyond the maximum operating pressure, you just maintain that higher pressure so that you can increase to full capacity. So that probably addresses that, why you need to add pump

stations, but it does not change your maximum pressure at that point.

As far as the flood issue, we address that in multiple ways because every water crossing that we cross from the very beginning of where this pipeline will be, through -- through the city of Minot, which in 2011 had its worst flood on record, and living there and going through that, through Red River in Grand Forks and the flooding that they've had in that area, so there are techniques that we can use for product recovery in fast water and in flood situations, in still water situations, there are multiple different ways to recover product. And we have all of those in a technical guide and we track all those types of things.

So specifically when we made our tactic guide for the Red River, we had our contract company, the response group came there April of last year, it was not the record flood stage, but they have redesigned the Red River and they have -- they took the pictures and we're planning for that highest flow that they've had in years. So we will design and plan emergency response based on maximum capacity of the watershed area.

MR. BRUCE JOHNSON: Okay. Thank you.

MR. LARRY HARTMAN: The next speaker, my apologies, I was trying to call kind of the next in the lineup and I just misplaced it.

MR. CRAIG FAUTSCH: I was thinking it was because I was from Buffalo. We actually live in Buffalo, but we spend a lot of time up here. I have land next to the Mizners, so we're neighbors. We have talked about this before. We have wholly different purposes for our land. She's an organic farm, we use it for recreation. We use it for hunting, we use it for ATV, we use it for walking through the woods and looking at the deer and looking at the porcupines and we look at all the different animals that live in that forest.

COURT REPORTER: I need your name.

MR. CRAIG FAUTSCH: Oh, sorry. I thought he said it. It's Craig, C-R-A-I-G, F as in Frank, A-U-T-S-C-H.

Anyway, between the two of us I think we have a mile and a half of the pipeline, or at least close to it, between our two places.

Earlier it was said you try to do the least amount of damage or whatever on somebody's property. And actually on our first 40 it goes almost diagonally from one corner to the other

corner and then takes a sharper bend and runs parallel on the other three 10 acres that we have. So perhaps on other parcels that's happened, but not on ours.

I've cut down two pages of comments because I know I'm probably last and everybody wants to get out of here. So I'm going to jump around a little bit here.

Some of my questions I don't think was totally answered. And that goes back to the person that grew the spruce trees 30 some years ago. Can I ask, why does Enbridge need 130 feet for a 30-inch pipeline? And it doing a little studying on the Internet, it kind of sounds like that extra 70 feet to dump the trees from the 50 feet onto the 70 feet, and of course you've got to dump from the 70 feet on that same 70 feet. At least there's some beautiful trees there. There's big black ashes, nice oak trees and, of course, some other trees, too. But it's just a shame that particular path goes right through these beautiful trees. And I didn't plant them, but I feel just as proud of them as the person who probably planted them.

What's even more concerning is that chances are that before these trees grow back on

that 70 feet that have to be clearcut to do the 50 feet is that Enbridge or somebody else will be back for a second pipeline. So certainly not in my lifetime, perhaps not even in my son's lifetime, will they ever see mature trees, even on the 70 feet that comes through.

A quick note, too, I'd also like to extend that public comment time period. I have a brother-in-law that has land about three miles away and I've been talking to him about it, he wouldn't know, because he's really not -- he doesn't live in Minneapolis, he doesn't read the St. Paul paper, or the Minneapolis paper. But anyway.

I guess clearcutting 120 feet of woods displaces lots of birds and animals. And I heard a few people, including the Native Americans, talk about it with the animals and the rice and so forth, but it's a huge issue to a lot of people. You know, I could probably argue both ways about needing a pipeline versus rail cars, and I don't think at the end of the day anybody would win the argument. So it's not so much the pipeline, it's where you're putting it through. And Aitkin County is blessed with lots of trees and lots of water and lots of wetlands and it seems like we're going right through

them.

My second one is eminent domain gives Enbridge the legal right to make landowners sell an easement on their property for the good of the public. But I'm sitting here listening and I don't see how it's the good of the public moving oil from North Dakota to Wisconsin. Because the people in North Dakota aren't going to have to put up with these spills when it happens. The people in Wisconsin aren't going to have to put up with the spills when it happens. It's the people of Minnesota and certainly here in Aitkin County that has to deal with the spills when they happen. Because I think everybody in the room is going to agree, at some point along 600 miles of pipeline there are going to be spills. It doesn't matter whether it's in our neighborhood or somebody else's neighborhood, we're all going to feel bad because we let the pipeline go through our neighborhoods.

Enbridge is -- thank you.

Enbridge is always planning to make a profit from this pipeline. The landowners just hope that their property is usable and salable. And would anybody buy property that has a pipeline on it? I wouldn't do it. My father bought this land

21 years ago for his grandkids, I'm just owning it between them, and they were going to get and they're hoping their grandkids, but at this point I'm not sure anybody is going to want to sell it. And if they do they're going to take a heck of a loss because a person looking at two different parcels are certainly going to take the one that doesn't have a pipeline because just in case it breaks. And maybe it never will, but it might, and that's the big concern that I think everybody is thinking here today.

I find it ironic, with a little humor here, to get a building permit, Aitkin County wants to know how close anything is going to be to a wetland. You know, whether it's a septic system or a holding tank or whatever, how close is it to wetland. But we could put a pipeline right through the wetland. So think about it. It's just unbelievable.

Maybe the next time they ask me I'll just say why are you worried about me contaminating the wetland when we got a pipe that could be spilling oil? And maybe it won't, but it might.

And they are going to fly over every two weeks, but don't do it during opening of deer

hunting. Don't do it during opening of deer hunting. You're going to make a lot of people unhappy flying low over deer hunting time.

That's all I have. Thanks, I accepted your apology that you missed me, I thought it was just because you said about the farther away and I might be one of the farthest people away, but I'm actually right in the thick of it with it coming right through my land. So thank you very much.

MR. LARRY HARTMAN: The last --

MR. BARRY SIMONSON: I want to answer.

In terms of your question, Mr. Fautsch, in regards to the work space that's needed for construction, there's two major factors that I consider and the industry considers for construction. One of them is safety and environmental mitigation. And I mentioned earlier, in uplands we're requesting 120 feet of work space, at wetlands we needed that down to 95. In uplands, those are the worst for clearing, that's 120 feet. The reason we need that is part of it is topsoil segregation. And in many of the lands we go through, we want the topsoil to be segregated. So the topsoil will be segregated to one side of the temporary work space, which would be the working

side, and that would be separate and that's an off-limit zone. Once the center line of the pipeline is excavated, that subsoil is put on the other side of that ditch. So we're separating topsoil and subsoil.

That being said, when the pipe is strung out on skids or wooden blocks that are cradle -- cradle the pipe, that takes up a certain distance. And then there's a working side. In order to install a 30-inch pipe or a 24-inch pipe there's a need for equipment, heavy equipment that's between 25 and 30 feet in width. So it needs to be traveling for excavators, lowboys that carry the pipe, trucks that the construction workers as well as inspectors are traveling through there. So it's a safety concern. If we get that down it's a safety concern to our workers.

And those are the two main factors, environmental mitigation as well as safety.

MR. CRAIG FAUTSCH: My concern is that, you know, 50 feet is this building here, maybe. That doesn't seem so bad through 110 acres of woods. But then you take it times two and a half and that's quite a large clearing, that when we're getting to the back side, or the diagonal to the back side,

that's a huge area to walk across. And it's pretty much just depressing to see all the trees grow back. And I know you guys will come through and wipe out anything that starts growing back to the 50 feet and now the 70 feet, but like I said, I just have to believe, you know, when we talk about the northern pipeline and all the different pipes that this pipeline is going to be done similar, and it's not going to be 50 feet, it's going to be 75 and it's going to be 100 including the extra 70 yet.

And maybe it won't be in my lifetime, but it certainly will be in my son's and my grandchildren's and my great-grandchildren's, and they're always going to wonder, why did they let a pipeline come through here. It's just such a depressing thing to have this gaping hole right down our woods. And I realize a lot of that is almost kind of hidden, but it's right through diagonally through our other property.

So I appreciate that you need some safety, but from a landowner's standpoint, it's not great. It's not great at all.

So, thanks.

MR. LARRY HARTMAN: Thank you.

The last speaker card I have is for Jerry

Demenge.

MR. JERRY DEMENGE: J-E-R-R-Y, D-E-M-E-N-G-E. And --

UNIDENTIFIED: Microphone.

MR. JERRY DEMENGE: There we go.

My concern is a lot like the people before me about their trees. I really like trees. I'm a third-generation logger and trucker in Aitkin County and also I'm on the town board.

This morning, though, I have trucks from Swatara, Hill City, clear to McGrath, Aitkin, we have trucks in Aitkin this morning. So we cover the whole county in the winter.

And one of my concerns is, and I've had the experience with crossing the pipeline in St. Louis County, and it cost us $15,000 to cross the pipeline, to build a bridge to cross a pipeline with our log trucks. And there is very few people that spoke here today that I haven't hauled off of their property or their land where this pipeline is going through either harvesting wood, we've cut it, or we have access through their property to get to county or state land.

And my concern is what do you -- what are your recommendations for crossing this pipeline,

'cause it's going 40-some miles through a heavily timbered county. And the county depends greatly on this timber. Just look out the window, next door here is one reason. And we have to -- if we got to cross that pipeline, sometimes we'll be driving five, six miles down the swamp to get it right on the other side of the pipeline. So if we have to use these maps and build bridges to cross the pipeline, are you going to provide that to the county and the state so that our access to utilize those maps and stuff to cross this pipeline? Or how are we going to get across it?

MR. JOHN MCKAY: I'm going to answer part of it and then pass the microphone to the other John down here.

When the pipeline does become operational, we've talked about depth of cover and Barry has talked about how we're going to put this pipe at a certain depth. I believe the ones that you're talking about in the other county, those would have been shallow pipes that were built years ago that had different criteria at the time. So there are certain requirements for loading to cross, safely cross, but I will pass the mic.

From a perspective of a landowner or a

logger, what you can do is we will have operations folks, we have right-of-way agents that will be covering this area from an operations perspective, anytime anybody is doing any kind of work they can contact the right-of-way agent and they can come out and talk to you about this, but this pipe will be buried to a safe depth for crossing purposes.

MR. JOHN PECHIN: Hi, my name is John Pechin.

COURT REPORTER: Your mic isn't on.

MR. JOHN PECHIN: How is that? Well, typically crossings, you know, if you needed to cross a pipe you can contact us, we'll go out and check the depth of cover and the engineers would have calculations based on the soil types and come up with a recommended crossing. Sometimes that can be putting in some gravel. Many times it's putting in mats, sometimes a bridge as needed. It depends on the crossing location and the soil types and the permitting and that sort of thing for the area. And, yes, typically I believe the cost is borne by the person going across.

MR. CRAIG FAUTSCH: Yeah, it is. And I'm here to tell you, you guys are talking in millions and billions and everything else and to me that's a

lot of money, you know. That would be like a dream.

So I would suggest you -- the county and the state should be in contact with you people and they -- you should provide these mats to the county and the state for us to use if we need to do this. There's no logger that can afford to do this. I mean, to come up with that kind of money to cross your pipeline.

I mean, I'm not against the pipeline, whatever, but, I mean -- and you're going 40-some miles across this county, you should sit down with the state and the county foresters right now and see how many trails they have crossing that pipeline right now. You'd be amazed. And it's where I look at the map and know where I haul wood and where I got to go, it's like this is really something.

MR. JOHN MCKAY: From experience in working in operations in land for many years, for this type of pipeline, I think in most cases -- and, again, we always want you to communicate with us just to make sure it's safe, but in most cases, unless there's rutting that's going to take place, from experience with this depth of cover that we're talking about, in most cases you're probably going to be okay. We certainly take into consideration

where we cross existing roads and Barry can speak to that.

MR. BARRY SIMONSON: In terms of our planning process, we have a crossing coordinator that works on our team that contacts all the counties and all the state agencies, all the federal agencies, in terms of -- and townships, in terms of roads, trails, highways that we're crossing with our pipe.

In terms of that factor and based on what the permit conditions are and the usage that a trail or a road encumbers, we look at potentially needing a heavier wall pipe that would then allow traffic, such as logging, logging trucks, to actually traverse over the pipe in certain locations. That's one of the safeguards that we do have in our planning process.

MR. GARY FAUTSCH: Well, we turn off the road and we drive three miles across the swamp to go into the woods. I mean, we've been doing this for 60, 70, 80 years, you know. I mean, there's no doubt in my mind that if we have to cross this pipeline in the swamp up here, we're going to have to build a bridge to cross it. I've been there and done this. And somebody is going to have to provide

the material to cross this. And you guys are the guys with the millions and billions. I would suggest that you provide the stuff to cross your pipeline.

The railroad company, they make a railroad crossing for us to drive across. You know, they don't expect us to build a crossing to get across the railroad track for cars to go across it, you know. I mean -- I don't know. I mean, a pile of mats or whatever it takes to construct a bridge that you would have to have in Aitkin County that would be at the use for the state or the county to use to cross the pipeline. I mean, there are timber sales, if they're going to sell timber sales, if you can't get to it, it's worthless. So the county and the state might want to take a look at that, too. That's up to them.

I don't -- I probably only have another 30, 40 years left to do this. That's my concern and I wish that somebody from the state would call me and address that with you folks, you know, at that level. That would be good.

MR. PAUL MENEGHINI: Paul Meneghini again. Working with the DNR, whenever we cross public state-managed lands and certain counties, the

state also manages their lands. I know this is a concern on prior projects, that's been brought up, access across the pipeline for timber sales, so I know it is a concern of the DNR's. It's something in their lands license for us on the public or county tax forfeited lands, generally, that they manage. They are aware that this is an issue for logging and want to make sure that there's -- they're doing a little bit of forward thinking, I guess, is what I wanted to mention, on looking forward to how they can access the back side of the pipeline.

So it is on the state management's radar. And they do, you know, plan that a little bit during our pipeline planning, to make sure there are proper burial depths where they see the need in the future as best they can to cross over to get timber on the other side.

MR. GARY FAUTSCH: Who at the state level in Aitkin County?

MR. PAUL MENEGHINI: I'm trying to -- I believe it's Joe Rokkala.

COURT REPORTER: I'm sorry, say that name again.

MR. PAUL MENEGHINI: Joe Rokkala,

R-O-K-K-A-L-A, I believe. He's the lands license administrator out of the Grand Rapids office, which I'm pretty sure covers Aitkin.

MR. CRAIG FAUTSCH: Okay. Well, I just wanted to, you know, I mean, that's a serious issue for me. And it can be for a farmer, you know, I mean, you can drive on the pipeline whenever you want, but if something happens --

UNIDENTIFIED: Can't hear you.

MR. CRAIG FAUTSCH: Thank you.

MR. LARRY HARTMAN: I believe that was our last speaker and I'd like to congratulate you on safe forestry. I see you still have ten digits, so that's always a good sign.

I'd like to thank you for attending. Again, our deadline for comments at this point in time is April 4th. If you have any questions regarding comments, route proposals, or anything else, please call Casey or myself.

My business card is back there on the table, it has my work number on it, I do answer my phone if I'm in the office. And I also have a cell phone number listed. If you can't get ahold of me during the day, please feel free to call me in the evening and I'll try to assist you as best I can to

follow up.

Thank you.

(Meeting concluded.)