

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE PUBLIC UTILITIES COMMISSION

In the Matters of the Applications of Great River Energy for Need and Routing Certification of the Mud Lake to Wilson Lake Transmission Project

**SUMMARY OF TESTIMONY  
AT PUBLIC HEARINGS**

Pursuant to Minn. R. 7848.2000, Subpart 11, Administrative Law Judge (ALJ) Eric L. Lipman conducted public hearings in the afternoon and evening of December 13, 2006 at the Garrison Town Hall in Garrison, Minnesota. The public hearings were held to elicit public comment regarding the need for, and routing of, a 115 kV transmission line.

BACKGROUND ON THE GRE APPLICATIONS

The Petition for Certification of the Need for the lines was filed by Great River Energy ("GRE"). GRE proposes to construct a 10.5-mile transmission line in north central Minnesota to interconnect the Mud Lake substation with the Wilson Lake substation.

The Commission will issue Orders on the Application for Certification of Need and the Routing Permit submitted by the Applicants after examination of this Summary, the hearing transcripts, all written filings submitted by the public, and all filings and arguments submitted by the Applicants, the Minnesota Department of Commerce and other persons and entities interested in this matter.

Over the course of the two public hearings, 29 members of the public were in attendance and signed the hearing roster.<sup>1</sup> Seventeen of those who registered on the hearing roster offered testimony during the hearings. Three written comments were submitted before the close of the post-hearing comment period on December 26, 2006.

As detailed in its application materials, Great River Energy maintains that the proposed line is needed to meet the current and growing needs of their customers in north central Minnesota. It is significant to note that not a single member of the public appearing at either hearing, or submitting written comments during the comment period, took issue with GRE's claim that additional power resources were needed in and around

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<sup>1</sup> See, Exhibits 23 and 27.

Garrison, Minnesota. The members of the public that offered comments, to the extent that they touched upon the question of need at all, agreed with GRE. The attendees appeared to share the view that regional development, and changes in the patterns of electricity usage, have combined to make the infrastructure upgrades, and the linkages between the substations, necessary.<sup>2</sup>

The issue for the attendees of the public hearings was whether it was sensible and equitable to impose the impacts of routing a 115 kV line (namely the monetary, aesthetic, safety and environmental impacts), upon the 88 persons who live along Highway 18.<sup>3</sup> Those in attendance at the public hearings voiced support for the alternate “Brown Line” route, which would link the Mud Lake substation and the Wilson Lake substation by running adjacent to the current 69 kV transmission line. As described in more detail below, the GRE team and those attending the hearing diverged – often vigorously – as to which transmission route represented the best alternative.

As detailed in its application materials, GRE contends that the proposed routing along Highway 18 will permit easy access to the line when repairs are needed, improve the reliability of its systems in the area and improve the reliability of systems operated by two local electricity cooperatives – Mille Lacs Energy and Crow Wing Power. While conceding that the impacts of this routing fall particularly upon those who live and work along Highway 18, GRE maintains that the benefits to the electricity system, and the wider region as a whole, makes this route the best among the possible alternatives.

### SUMMARY OF TESTIMONY AT THE AFTERNOON PUBLIC HEARING

At the outset of the hearing the Administrative Law Judge made introductory remarks, followed by short presentations from Bret Eknes of the Commission’s staff and Adam Sokolski, a Program Manager with the Energy Permitting Unit of the Department of Commerce, followed by a presentation from GRE. During and after these presentations, members of the public asked questions of the presenters and shared their reactions to the material presented.

*Remarks by Mr. William Bentley:* Mr. Bentley offered the view that the alternate routing presented fewer safety concerns in the event of a natural disaster or other calamity. Further, Mr. Bentley expressed concern that the impacts of GRE’s proposed routing will fall disproportionately upon the 88 year-round residents who lived along the line’s path on Highway 18, so as to confer the benefits of relatively low priced electricity to owners of recreational property.<sup>4</sup>

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<sup>2</sup> See, e.g., Afternoon Hearing Transcript at 29, 34 and 85-86; Evening Hearing Transcript at 31, 33 and 85-86.

<sup>3</sup> See generally, Environmental Assessment, PUC Docket Nos. ET-2/TL-06-980, ET-2/CN-06-367, at 8, Figure 1 (2006) (hereafter “Environmental Assessment”).

<sup>4</sup> See, Afternoon Hearing Transcript at 39, 40 and 61.

*Remarks by Mr. Tim Duffney:* Mr. Duffney contends that there is no, or very little controversy, as to the pathway of the alternate route; but that there are significant impacts on homeowners and businesses from routing the 115 kV transmission line along Highway 18. In particular, Mr. Duffney expressed grave concerns about the implications of the current setback requirements on his home and business if GRE's proposed route is approved. Mr. Duffney asserted that the setback requirements would reach far into the parking lot of his business and come very close to his front door. More generally, Mr. Duffney expressed skepticism as to both GRE's description of the risks of damage to the 115 kV line if it were to be run along the alternate route and GRE's predictions as to the impact of a sustained power outage. Mr. Duffney believes that local residents have good, alternate sources of power and could make due during a lengthy power outage. Lastly, Mr. Duffney urged GRE to explore both burying the 115 kV line along Highway 18, so as to avoid larger impacts, and extending per-kilowatt hour price reductions to landowners along the route of the transmission line.<sup>5</sup>

*Remarks by Mr. Marlow Ellickson:* Mr. Ellickson expressed skepticism as to GRE's balancing of monetary, environmental and safety factors when proposing to route the transmission line along Highway 18. In Mr. Ellickson's view, any natural disaster that would imperil operation of the 69 kV transmission line would likely also affect the 115 kV transmission line – if it were routed, approximately one mile away, along Highway 18. He regards the claimed hedge against disaster by not routing the lines together along a common corridor, as overstated. Further, in his view, any claimed benefits of easier access to the transmission lines for repairs is far outweighed by the negative environmental impacts of removing mature trees along Highway 18. Mr. Ellickson believes that a more sensible alternative would be to route the 115 kV transmission line alongside the 69 kV transmission line, and for GRE to purchase the equipment that it would need to access the undeveloped terrain along this route.<sup>6</sup>

*Remarks by Mr. Eric Halbur:* Mr. Halbur, the owner of a local greenhouse and nursery, expressed concern as to the environmental impacts of routing the transmission line along Highway 18; particularly if GRE would use 2,4-D pesticides in order to clear vegetation from the path of the power lines.<sup>7</sup>

*Remarks by Mr. Mike Hyland:* Mr. Hyland expressed the concern that routing the 115 kV line along Highway 18 would simply be the first step in a larger program to place still higher voltage lines along the same path.<sup>8</sup>

*Remarks by Mr. Les Muses:* Mr. Muses asserted that the alternative which best avoids adverse health and safety impacts is that route that circumvents the most number of homes and businesses – namely the alternative 69 kV transmission route.<sup>9</sup>

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<sup>5</sup> See, Afternoon Hearing Transcript at 29, 30, 32, 34, 38, 68, 78, 81, 85-86, 118 and 123.

<sup>6</sup> See, Afternoon Hearing Transcript at 17, 28 and 72-74.

<sup>7</sup> See, Afternoon Hearing Transcript at 18, 19, and 24.

<sup>8</sup> See, Afternoon Hearing Transcript at 96.

<sup>9</sup> See, Afternoon Hearing Transcript at 23.

*Remarks by Mrs. Sandra Muses:* Mrs. Muses expressed skepticism as to the relative weighting in the analysis that favors routing the transmission line along Highway 18 over the alternate route. Among the items that Mrs. Muses believes may be underweighted in the analysis is the prospect of near-term expansion of Highway 18 (in the area of the proposed transmission route) and the cost of litigation with Highway 18 property owners to resolve valuation disputes. Among the items that Mrs. Muses believes may be overstated in the analysis are the risks of power line failure and the amount of extra costs that would be associated with the alternate route. Lastly, Mrs. Muses expressed the concern that the setback requirements associated with routing of the transmission line along on Highway 18 may put the signs advertising her business out of sight from passing motorists.<sup>10</sup>

*Remarks by Al Rademacher:* Mr. Rademacher is the current owner and operator of the amusement park, Paul Bunyan Land. He noted that in order to insure against casualties, amusement park operators have high fixed costs for general liability insurance. He expressed the concern that routing a transmission line across the amusement park will frighten away would-be customers of Paul Bunyan Land, depress gate revenues, and ultimately oblige the closing of this well-known attraction.<sup>11</sup>

*Remarks by Dick Rademacher:* Mr. Rademacher, the elder, sounded similar concerns as to the impact of a transmission line on attendance numbers at Paul Bunyan Land. Further, he expressed dismay that local residents had not received earlier notice of routing plans that were under active consideration.<sup>12</sup>

*Remarks by Mr. Thomas Rahto:* Mr. Rahto, a long-time resident of the area, expressed skepticism as to GRE's claims of poor access to the alternate route adjacent to the 69 kV transmission line.<sup>13</sup>

#### SUMMARY OF TESTIMONY AT THE EVENING PUBLIC HEARING

Many of the attendees of the afternoon public hearing remained at the Garrison Town Hall to participate in the evening public hearing. During the course of presentations by agency and GRE personnel, a vigorous question and answer period, and follow-on discussion, the following residents of Garrison, Minnesota noted that:

*Remarks by Mr. Tim Almquist:* Mr. Almquist asserted that the risk that lengthy power outages would follow a severe storm, if the alternate transmission route was used, is overstated. In Mr. Almquist's view, a severe storm would disable both

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<sup>10</sup> See, Afternoon Hearing Transcript at 60, 88-92, 103, 109 and 126.

<sup>11</sup> See, Afternoon Hearing Transcript at 120-21.

<sup>12</sup> See, Afternoon Hearing Transcript at 98, 100.

<sup>13</sup> See, Afternoon Hearing Transcript at 114.

transmission and distribution power lines in the Garrison area – obliging long delays in either case.<sup>14</sup>

*Further Remarks by Mr. William Bentley:* Mr. Bentley restated his earlier-expressed concern that the impact of GRE's proposed routing would fall disproportionately upon the 88 residents who lived along Highway 18, so as to confer the benefits upon the broader community.<sup>15</sup>

*Remarks by Mrs. Amber Bentley:* Mrs. Bentley expressed concern over elements of GRE's comparative analysis. In her view, severe ice storms or tornadoes in Garrison would cause lengthy power outages regardless of whether the transmission route is adjacent to 69 kV line or along Highway 18. Mrs. Bentley expressed doubt that GRE was committed to making a lower impact alternative work, if such an alternative were viable.<sup>16</sup>

*Remarks by Ms. Jodi Bradford:* Ms. Bradford, the owner of a local horse farm along Highway 18, expressed the view that GRE's proposed route would undermine the settled aesthetic expectations of those who had moved to Garrison or chosen to remain there. Moreover, alongside some of the other attendees, Ms. Bradford expressed doubt as to claims of the historic difficulty in accessing the 69 kV line for repairs, that separation of the 115 kV line and the 69 kV line by approximately one mile would amount to a meaningful improvement in the system's reliability, or that the risk of power outages following severe weather was significant. In Ms. Bradford's view, the 115 kV line should be routed so as to impact the fewest number of homes and businesses.<sup>17</sup>

*Remarks by Mr. William Haberle:* Responding to the claim that routing the 115 kV line adjacent to the 69 kV line increases the risk of lengthy power outages following severe weather, Mr. Haberle asserted that most residents living in the Garrison area own gas generators, and if necessary, could cope effectively with a two-week power outage. Further, in Mr. Haberle's view, area residents have a long history of providing aid to each other in times of calamity.<sup>18</sup>

*Remarks by Ms. Kathy Haberle:* Mrs. Haberle expressed the concern that the result of the route selection process was predetermined before the hearing began, and that the preferences of those who live along Highway 18 would go unheeded.<sup>19</sup>

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<sup>14</sup> See, Evening Hearing Transcript at 75-76.

<sup>15</sup> See, Evening Hearing Transcript at 54.

<sup>16</sup> See, Evening Hearing Transcript at 63-66.

<sup>17</sup> See, Evening Hearing Transcript at 27-29, 31, 42-44, 48-49, 69 and 102-03.

<sup>18</sup> See, Evening Hearing Transcript at 51-53.

<sup>19</sup> See, Evening Hearing Transcript at 73-75.

*Further Remarks by Mr. Mike Hyland:* Mr. Hyland asserted that the risk that severe storms will damage area power lines is overstated – and that the actual history of storm activity in the Garrison area could be ascertained by simple research.<sup>20</sup>

*Remarks by Mr. Terry Patrick:* Mr. Patrick noted that the setback requirements associated with routing of a 115 kV line along Highway 18 would reach far into his front yard and come very close to his front door. Further, Mr. Patrick expressed doubt as to claims made by GRE during its presentation; namely, that effecting repairs along the 69 kV line has been significantly more difficult and that any work to repair storm-damaged poles along the alternate route would proceed slowly – one pole at a time. Likewise, Mr. Patrick expressed concern over the lack of bargaining power that property owners would have during any later eminent domain process. Finally, Mr. Patrick expressed his view that the property values and personal well-being of those who live along Highway 18 were being subordinated to corporate objectives of GRE.<sup>21</sup>

### WRITTEN COMMENTARY

The Administrative Law Judge received three written comments prior to close of the post-hearing comment period on December 26, 2006.

*Comments of State Senator Paul Koering:* Senator Koering, of District 12, wrote to urge consideration of “the impact this project is going to have on these residents [along Highway 18]” and to urge the Commission to select “the alternate route that would have fewer negative consequences.”<sup>22</sup>

*Comments of Mr. Terry Patrick:* Following upon his remarks at the Evening Public Meeting, Mr. Patrick expressed the concern that GRE had not given due consideration to the alternate route, whose pathway impacts fewer businesses and homeowners. He reemphasized the impact that the proposed routing would have upon his lot and to the mature trees in his front yard. Mr. Patrick expressed frustration over not having timely received notice of the earlier “scoping meeting” held in September. He requests to receive notice of Commission meetings on the current applications.<sup>23</sup>

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<sup>20</sup> See, Evening Hearing Transcript at 68.

<sup>21</sup> See, Evening Hearing Transcript at 30, 36-37, 46, 60 and 85.

<sup>22</sup> See, Exhibit 28.

<sup>23</sup> See, Exhibit 29.

*Comments of Mrs. Jane Patrick:* Mrs. Patrick shares her husband's view that residents along Highway 18 did not receive adequate notice of earlier meetings on the proposed routing plan. Further, she detailed the special, non-monetary significance of the trees in the Patricks' front yard, and urges selection of the alternate route so as to avoid the impacts to homes and businesses along Highway 18.<sup>24</sup>

Dated this 16<sup>th</sup> day of January 2007.

s/Eric L. Lipman  
ERIC L. LIPMAN  
Administrative Law Judge

Reported: Shaddix and Associates, Janice E. Dickman, RPR, Court Reporter  
Transcripts Prepared

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<sup>24</sup> See, Exhibit 30.