

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

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need and a Route Permit for the Motley Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties, Minnesota

SUMMARY OF PUBLIC TESTIMONY

A public hearing was held before Administrative Law Judge Jeffery Oxley on November 19, 2015, at 6:00 p.m. at the Motley Staples Middle School Cafeteria at 132 First Avenue South, Motley, MN 56466. The purpose of the hearing was to elicit public comment regarding the application that Great River Energy (GRE) and Minnesota Power (MP) (collectively the Applicants) submitted to the Minnesota Public Utilities Commission (Commission). The Applicants propose to construct approximately 16 miles of 115 kV transmission line as well as a new substation and to upgrade three existing substations. The construction work and the modifications to existing substations would take place in Morrison, Cass, and Todd Counties.

Thirty-seven individuals attended the public hearing and signed the hearing roster.¹ Twenty individuals offered testimony. The public hearing continued until all interested persons had an opportunity to be heard. After the hearing, the record remained open for eleven days to allow all interested persons to submit written comments. During that interval, eight individuals or couples filed comments using the Commission's "*Speak Up!*" website and one couple had their comments delivered to the Commission. The record closed on November 30, 2015.

This report contains a description of the proposed project, the procedural history, and a summary of the public testimony. The report is not a final decision. Pursuant to Minn. Stat. § 216E.04, subd. 7 (2014) and Minn. R. 7850.3900, subp. 1 (2015), the Commission shall make its final decision on the matter within 60 days following receipt of the record from the hearing examiner.

¹ Some individuals who attended the hearing did not sign the hearing roster as the Administrative Law Judge estimates that as many as 70 people attended the hearing including employees of GRE and Crow Wing Power.

BACKGROUND OF THE APPLICATION

The Applicants propose to construct approximately 16 miles of 115 kilovolt (kV) transmission line and to construct and modify substations in Morrison, Cass and Todd Counties (the Project). The Project is required to serve a proposed new Minnesota Pipe Line Company pumping station and to address load-serving needs in the Project area. The specific elements of the Project are:

- The construction of a new 16 mile, single circuit, 115 kV transmission line between the existing MP 24 Line transmission line and the new Crow Wing Power (CWP) Fish Trap Lake substation. Some segments of the transmission line will carry distribution underbuild.
- Convert the existing 34.5 kV Motley substation to 115 kV service and add a three-way switch.
- Construct the new CWP Fish Trap Lake substation to serve the new Minnesota Pipe Line Company (MPL) Fish Trap pump station.
- Add breakers to the existing MP Dog Lake substation using a more reliable ring bus design and construct a one-half mile transmission line between the substation and the 24 Line 115 kV transmission line.
- Install a three-way switch to allow for the construction of a future CWP Shamineau substation.

THE TRANSMISSION LINE ROUTE²

Beginning at the new Fish Trap substation, which is to be located on the east side of Highway 10 at Azure Road, the new high voltage transmission line will run north along Highway 10 to Azalea Road. This segment of the new line is called “the Common Route.” The EA’s evaluation includes consideration of locating the transmission line along the west side of Highway 10 as the Applicants have proposed, but also considers an alignment on the east side of the highway.

From the intersection of Highway 10 and Azalea Road, the proposed line will run east along Azalea Road to the Motley substation. The Applicant’s proposed alignment is along the south side of Azalea Road. An alternative alignment on the south side of Azalea Road dips further south to divert around an old American Elm tree.

From the Motley substation, there are two alternative routes proposed to run the line to the north to connect with MP’s 115 kV 24 line. Only one of these two Route Options will be built. The West Route Option goes north directly from the Motley substation at Bugle Road, crossing the Crow Wing River and then following 57st Ave. S.W. to the 24 line.

² Detailed route maps may be found in the ENVIRONMENTAL ASSESSMENT (November 2015) at Appendix D (eDocket Nos. 201500-115740-02, 201511-115740-04, 201511-115740-06, and 201511-115740-08) (EA). A helpful overview map is at page 19 of the ENVIRONMENTAL ASSESSMENT.

The East Route Option continues further east along Azalea Road past the Motley substation until it approaches the Crow Wing River. Just before reaching the river, the alignment bends to the southeast and then crosses the Crow Wing River in a northeast direction. Just past the river crossing, the East Route Option bends back toward 55th Avenue SW. The East Route Option then follows 55th Ave. SW north to 132nd Street, where it proceeds east along 132nd to 51st Avenue and finally north along 51st Avenue, which is also called Birch Hill Road, to where it interconnects with the 24 line.

PROCEDURAL HISTORY³

1. On March 5, 2015, the Applicants filed their NOTICE OF INTENT BY GREAT RIVER ENERGY AND MINNESOTA POWER TO SUBMIT A ROUTE PERMIT APPLICATION UNDER THE ALTERNATIVE PERMITTING PROCESS MOTLEY AREA 115 kV PROJECT.

2. On March 19, 2015, the Applicants filed their combined CERTIFICATE OF NEED APPLICATION AND ROUTE PERMIT APPLICATION to construct approximately 15.5–16.5 miles of 115 kV transmission line and associated facilities in the Motley area in Morrison, Cass, and Todd Counties, Minnesota. The Certificate of Need Application was submitted under Minn. R. 7849.0010-.2100 (2015) and Minn. Stat. § 216B.243 (2014) and assigned E-015/CN-14-853. The portions of the Application addressing the route permit was submitted under the Alternative Permitting processes of Minn. R. 7850.2800-.3900 (2015) and Minn. Stat. § 216E.04 (2014).

3. On March 23, 2015, the Commission issued its NOTICE OF COMMENT PERIOD ON COMPLETENESS OF CERTIFICATE OF NEED AND ROUTE PERMIT APPLICATION.

4. On May 1, 2015 the Commission and the Minnesota Department of Commerce (DOC) issued a NOTICE OF PUBLIC INFORMATION AND ENVIRONMENTAL ASSESSMENT (EA) SCOPING MEETING.

5. On May 19, 2015, the Commission and the DOC – Energy Environmental Review and Analysis (DOC-EERA) staff held a Public Information and Environmental Scoping Meeting in Motely, Minnesota.

6. On May 27, 2015, the Commission issued an ORDER FINDING APPLICATION COMPLETE, DIRECTING USE OF THE ALTERNATIVE PERMITTING PROCESS AND GRANTING VARIANCE AND CERTIFICATE OF SERVICE.

7. On May 29, 2015, the Minnesota Department of Transportation filed comments pertaining to the scope of the EA.

8. On June 3, 2015, the Minnesota Pollution Control Agency filed comments pertaining to the EA.

³ For links to documents and exhibits cited in this section of the report, see RELEVANT DOCUMENTS AND EXHIBIT LIST (December 2, 2015) (eDocket No. 201512-116093-01).

9. On June 3, 2015, the Minnesota Department of Natural Resources filed comments pertaining to the EA.

10. On June 10 and June 17, 2015, the DOC-EERA staff filed written comments received from the public on the scope of the EA. These comments included a June 3, 2015, comment by the U.S. Fish and Wildlife Service.

11. On June 22, 2015, DOC-EERA staff filed its comments and recommendations for the scope of the EA. On June 24, 2015, DOC-EERA staff filed maps showing the alternatives the staff analyzed for the EA.

12. On July 15, 2015, the DOC issued its ENVIRONMENTAL ASSESSMENT SCOPING DECISION.

13. On November 2, 2015, the Commission issued its NOTICE OF PUBLIC HEARING to be held on November 19, 2015. The Notice also informed the public that written comments on the Project could be filed on the Commission's "*Speak Up!*" website or sent via U.S. Mail from November 2 through November 30, 2015.

14. On November 16, 2015, the DOC filed its NOTICE OF ENVIRONMENTAL ASSESSMENT AVAILABILITY.

15. On November 19, 2015, a public hearing was held at the Motley Staples Middle School Cafeteria at 132 First Avenue South, Motley, MN.

16. On November 30, 2015, the period for public comment on the Project closed.

SUMMARY OF PUBLIC TESTIMONY

Seventeen individuals of the thirty-seven who signed the hearing roster offered testimony or posed questions to GRE and Crow Wing Power personnel or to DOC analyst Richard Davis.

The Administrative Law Judge notes that everyone who testified at the hearing could be substantially affected by the Project. Understandably, the residents of the Project area would most prefer any option that minimized the prospective harm to themselves. But, the residents also understood that reducing the negative impact on their properties could result in increasing the burden on their neighbors, something they did not wish to do. The Administrative Law Judge was favorably impressed by the sense of community that was expressed by residents of the Project Area at the hearing.

The Administrative Law Judge was also favorably impressed by the comportment of the attendees. Residents of the Project Area clearly cherish their land, their lifestyles, and the scenic values of the area, which they see as threatened by the Project. Yet, despite the potential impact to themselves and the intense emotions thereby provoked, people testified clearly and rationally, and were respectful of the statements of others that differed from their own views.

Common themes of the public comments were that the residents of the area did not want or need the project. Several people proposed that the line be built beginning at the Dog Lake substation which is northwest of the Motley substation. The transmission line would run south to where it would intersect the oil pipeline right-of-way. From there, the line could follow the oil pipeline to where it meets Highway 10. If extra costs are involved, the oil company should absorb them because it will be the primary beneficiary of the new line. Even if this alternate route did not meet all of the Project's needs, it could reduce the need to upgrade the Motley substation to 115 kV and perhaps the existing 34.5 kV substation would still be adequate or an upgrade to 69.5 kV instead of 115 kV.

Introduction of Commission, DOC, and Applicant Staff⁴

The Administrative Law Judge began the hearing by explaining that its purpose was to solicit public comments regarding the Project and that his role was to summarize the comments and written testimony received from members of the public at the hearing and comments submitted through the Commission's "*Speak Up!*" facility on its website as well as comments physically delivered to the Commission. The Commission accepted written comments up until 4:30 p.m. on November 30, 2015. The Administrative Law Judge explained that he would not make any recommendations to the Commission, nor make any decision concerning the Project.

The Administrative Law Judge then introduced Ms. Tricia DeBleeckere. Ms. DeBleeckere is the Commission staff analyst on both the Certificate of Need and the Routing dockets for the Project. Ms. DeBleeckere explained that Commission staff oversee the application review process to ensure compliance with applicable statutes and rules and to brief the Commissioners on important elements of the record.

Next, members of the public were introduced to Mr. Richard Davis. Mr. Davis is with the DOC-EERA and is the author of the EA.⁵ He presented the main elements of the Project and he reviewed the process of developing the EA. Input to the EA came from the public information and scoping meeting held in May 2015, and also from comments from the public, from three state agencies,⁶ and from one federal agency.⁷ Mr. Davis explained that alternatives to the Applicants' proposal were considered if they met the needs of the Project and mitigated an impact.

The DOC released its scoping decision in July 2015. The EA considered four alternative alignments in addition to those proposed by the Applicants. In analyzing impacts, the EA considers human impacts, historical site impacts, and aesthetic impacts in addition to environmental and ecological impacts. Mr. Davis referred people to the

⁴ See TRANSCRIPT OF PUBLIC HEARING HELD ON NOVEMBER 19, 2015 AT MOTLEY (December 2, 2015) eDockets No. 201512-116087-01 at 4-24 (Transcript).

⁵ The EA was completed and available to the public on Monday, November 16, 2015. Many attendees at the hearing were not able to read the EA before the public hearing.

⁶ The Minnesota Departments of Transportation, Natural Resources, and Pollution Control Agency filed comments.

⁷ The United States Fish and Wildlife Service filed comments.

page in the EA listing the 14 factors the Commission must consider under Minn. R. 7850.4100 (2015) when making a decision on a route permit.⁸

The last person introduced was Mr. Mark Strohfus. Mr. Strohfus is the environmental project lead at GRE. Mr. Strohfus explained that GRE is a not-for-profit electrical generation and transmission company. GRE has power plants in North Dakota and Minnesota and it transmits power along high voltage lines to substations where the power is routed to distribution lines. GRE provides electricity to 28 member cooperatives, including the Crow Wing Power distribution cooperative which serves the area proposed to be supplied by the new transmission line. The Motley substation is owned by Crow Wing Power as are the distribution lines running out of the Motley substation.

Mr. Strohfus explained that the Motley substation is currently interconnected with MP's 34.5 kV system which provides insufficient capacity to provide reliable service and to accommodate growth. Mr. Strohfus outlined the route alignments and alternatives that were considered in the EA.

Public Testimony⁹

Remarks by Mr. Kevin Brown: Mr. Brown lives on the east side of Highway 10. He stated that the Applicants had succeeded in pitting neighbors against each other by proposing that the line along Highway 10 could be built on either the west or east side of the road. He and others did not like that intentionally divisive approach. Mr. Brown felt it was the Applicants' job to find better routes, not his. He asserted that the placement of the transmission lines would have a huge impact on land values. He predicted that small parcels along the route would become unmarketable. In addition, Mr. Brown pointed out that Highway 10 ran through the scenic Lincoln Lakes area and the views would be marred by the construction of transmission lines.

Mr. Brown also stated that many people in the area believe that their comments will not matter and that the Commission will allow the line to be built along the route requested by the Applicants. Mr. Brown noted that people buy land and build homes in the Motley area to have a place in the country and now they will have "this big ugly powerline running in their front yard." Mr. Brown concluded by advising that he was working with others to get a petition together saying the community does not want the Project and he would also give the Applicants some different ideas about where to run the powerlines.

Mr. Davis stated that he had no information indicating that the Lincoln Lakes section of Highway 10 the Project proposed to build along was a designated scenic route. Mr. Brown assured him it was.

Remarks by Mr. Mark Frisk: Mr. Frisk read four statements into the record. His statements were received as Exhibits A through D.

⁸ EA at 25.

⁹ See Transcript at 24–85.

Exhibit A. Mr. and Ms. Frick live south of Motley on the east side of Highway 10. Their house is entered from Aztec Road and their backyard is buffered from the highway by a narrow strip of wooded land. Constructing powerlines on the east side of Highway 10 would entail the removal of those trees. Mr. Frisk is a member of the American Tree Farm System, he has taken college courses in natural resources, and his 300 acre property has been enrolled in the Woodland Stewardship Plan designed by the Minnesota Department of Natural Resources. Mr. Frisk has undertaken extensive tree plantings and has established a habitat regeneration for yellow spotted salamanders. Mr. Davis accompanied Mr. Frisk on a tour of his property yet the EA does not mention how the proposed construction will disturb the many improvements Mr. Frisk has made. Because his and his neighbors' residences front onto Aztec Road, they were not counted as homes that would be affected by construction of the powerline on the east side of Highway 10. Constructing the line on the west side of Highway 10 would disturb fewer homes, contrary to comments others have made. Mr. Frisk also noted the presence of a propane storage facility and the Lincoln Gas and Bait would make putting the line on the east side of Highway 10 hazardous.

Exhibit B. Property owners on the east side of Highway 10 were misinformed at the informational meeting held by GRE and also at the public scoping meeting held on May 19, 2015. Attendees at those meetings were told that the line would be constructed on the west side of Highway 10. Property owners on the east side accordingly did not perceive any need to make their views known. Consequently, the EA favors the residents of the west side of Highway 10.

Exhibit C. The Commission should not issue a permit to construct powerlines along Highway 10 as doing so will result in the destruction of too much real estate value as well as a scenic corridor enjoyed by residents and the traveling public. The costs of locating the powerline elsewhere should be borne by the Applicants and MPL – residents of the area will not benefit from the Project but will bear its environmental and scenic costs. The finding in the EA that the environmental impacts from the Project are minimal is woefully incorrect. The Frisks believe that GRE is trying to save a little money at the expense of homeowners.

Exhibit D. The area's property owners feel insulted by the Project and unanimously oppose it. The Project which will radically alter their pristine scenery and diminish their property values solely to save on construction costs. The proposed construction will benefit MPL so the powerline should be routed along its pipeline corridor.¹⁰ The plan to build the powerline through one of Minnesota's most scenic areas was made without properly considering the effects on residents and the traveling public. Mr. Frisk included a map in Exhibit D which is marked to indicate where the transmission line should be constructed rather than placing it along Highway 10. Mr. Frisk proposes that the line be built well to the west of Highway 10, for example it could run due south from the existing Dog Lake substation.

¹⁰ The pipeline corridor runs east of Highway 10 from the proposed Fish Trap Lake pumping station to the northwest where it appear to eventually meet the "24" line.

Remarks of Ms. Sherry Frisk: Ms. Frisk submitted her statement in writing and read much of it into the record. Her statement was received as Exhibit. E.

Exhibit E. Ms. Frisk stated that the Commission should not issue the Certificate of Need or the Route Permit. Constructing the line along Highway 10 will be profitable for GRE but it will not benefit the homeowners and they do not want it. Ms. Frisk objected to the online information she read that said the construction would only reduce the value of affected residential properties by 10 percent, arguing the impact will be much greater. The Frisks would never have built their home where they did if they had known the construction would occur. GRE wants the alignment along Highway 10 rather than in the countryside where it will not bother people because it will lower GRE's costs. Homeowners do not care about GRE's costs. They care about the loss of property, scenic, and environmental values.

Ms. Frisk also took issue with the EA's conclusion that the environmental and human impacts of the project would be minimal. Building on the Frisk's property would ruin the views from their backyard, sunroom, and veranda, subject them to noise, and destroy their privacy. It would be a huge impact.

Remarks of Mr. Russell Keppers: Mr. Keppers' property is on the west side of Highway 10.¹¹ He would not have purchased it if he had known about the Project. He believes that the value of his property will be substantially diminished – the powerline will practically run over his house. He would like to know if there is danger to his house because it has an asphalt roof.

Mr. Keppers explained that zoning laws do not permit construction on lots less than 10 acres. His two lots are currently larger than 10 acres, but if portions of them are taken for the Project, the remaining properties will have little value because they could not be built on. Mr. Keppers agreed with much of what the previous speakers said. He has lived in the area his entire life and is extremely upset with the Project. He would tolerate running the lines through the back of his property, but not the front. Mr. Keppers also took issue with GRE's statement that it was a not-for-profit cooperative and asserted that it did not benefit its subscribers or the public.

Remarks of Ms. Melissa Moulton: Ms. Moulton and her family live on the east side of Aztec Road.¹² She is concerned that the powerline will go where her children currently play. They love the area and have chosen to live there rather than the city in order not to see powerlines. GRE's ability to come and take the land of homeowners is not fair. Ms. Moulton protested that the issue is now posed as which side of the road should the powerline be built on, pitting neighbor against neighbor and dividing the community. She urged the Commission and the Applicants to find another route. Ms. Moulton submitted Exhibits F and G, included in the summary of written comments below.

¹¹ EA Appendix D at Map Sheet 26.

¹² Aztec Road runs north and south on the east side of Highway 10 from a few miles south of Motley to Shamineau Lake.

Exhibit F. This exhibit is a statement by Mr. Jeremy Moulton. Like several others, Mr. Moulton states that residents on the east side of Highway 10 were misinformed at the previous public meeting that the line would be constructed on the west side. Consequently, east side residents felt no need to contact the Commission. His driveway runs from Aztec Road and mature trees buffer his property from the highway. Construction of the line would remove the buffer, thereby exposing his property to highway noise, damaging the scenery, and causing his property to lose value. As alternatives, Mr. Moulton proposes placing the line on the west side of the highway, or place it one mile further to the west where the line could be constructed to parallel Highway 10 and be placed through farm land and green space. The added cost is irrelevant to him. Mr. Moulton concludes that the proposed alignments along Highway 10 will result not only in harm to the residents, but also visitors who value the scenery.

Exhibit G. This exhibit is a map submitted by Mr. Moulton indicated where the line could be placed and cause much less harm to residents.

Remarks of Brad Vanvickle: Mr. Vanvickle lives on the East Route Option and his land would be crossed by the powerline if that route is chosen. Mr. Vanvickle began by questioning the total cost of the Project. He pointed out that the EA on page 119 estimated that the West Road Option cost \$498,000 less than the East Route, but on page 47, the cost difference is \$1,000,000, which is also the cost difference that Mr. Strohfus stated.

Mr. Strohfus responded that the difference is that \$1,000,000 cost estimate includes the cost of updating Crow Wing Power's Motley substation, while the \$498,000 estimate does not. Because the substation upgrade costs will be incurred with either the East Route or the West Route, the real difference in total costs between the two options is \$498,000.

Mr. Vanvickle also pointed out that the EA states that the East Route will affect 16 homeowners and the West Route only 8. The EA's conclusion that the impacts of the East versus the West Route are relatively the same is wrong.

Mr. Davis responded that the EA considered the proximity of houses to the proposed construction as well as the number of affected homes and the West Route has more homes closer to where the powerlines would go.

Mr. Vanvickle stated that the east side of the road on the East Route is heavily wooded with large trees while the west side, which already has a powerline running through it, has only small pines. He wondered why the power company's existing easement would not be used. He concluded by stating that the powerline should be placed to minimize the impact on people rather than design the route to avoid a new river crossing.

To the first point, Mr. Heuring of GRE responded that the trees on the west side do screen residents on the west side from the roadway so there is an impact from changing the proposed alignment. To Mr. Vanvickle's last point, Mr. Davis responded

that the new river crossing would affect a designated native plant community and a designated site of biodiversity.

Remarks of Mr. Ted Sullivan: Mr. Sullivan asked Mr. Davis if archaeological or historic sites had been located along the West Route.

Mr. Davis indicated that the search for such sites had not been completed. Mr. Strohfus stated that an archeologist had inspected the property on the south side of the river where the West Route river crossing would be. The archeologist opined that the sites of interest would be along the river and that most of them would be under water since the construction of the dam. However, Mr. Strohfus concluded, it was likely that the line could be designed so as to avoid any significant impact and it was unlikely that the West Route would be precluded because of these concerns.

Remarks of Mr. Dan Donahue: Mr. Donahue lives on the West Route river crossing and construction of the line across his property would result in removing the trees in front of his house. Mr. Donahue questioned why the transmission line could not be built along the existing pipeline corridor and why the Motley substation could not be moved and combined with the proposed Fish Trap pumping station. He also noted that by the time the public received enough information about the Project to know that they could be severely affected, the Project was already far along.

Mr. Strohfus responded that building along the pipeline corridor would not meet the need to upgrade the Motley substation. Moving the Motley substation, which belongs to CWP, has not been discussed. However, he noted that substations are generally located in the center of the distribution area load for engineering reasons, making it unlikely that a move is feasible.

Mr. Strohfus also explained that while several people had stated that GRE should spend more money to build the line where it would not disturb anyone, others have stated that their power rates were already too high. GRE avoids building cross country lines for two reasons. First, state statutes direct that preference be given to routes that follow roadways over cutting new paths through the countryside. Second, maintenance and repair of cross country lines is expensive. Homeowners may be less pleased with lines behind their houses when a storm downs a line and the power company brings in trucks to repair the line, which may take days, rather than hours as with a roadside location. GRE did not seek to pit neighbor against neighbor, rather it proposed routes that would best meet the needs of the Project while minimizing environmental and human impacts to the extent possible.

Mr. Davis added that placing electric lines above or close to a pipeline presented safety concerns. The electric line would need to be some distance from the pipeline and involve constructing a parallel transmission line right-of-way.

Remarks of Mr. Harvey Macheel: Mr. Macheel lives on the West Route, on the south side of the Crow Wing River. His property has 60 to 80 foot tall oak trees that are hundreds of years old and provide him the privacy he values highly. There is a 34.5 kV

line through his property and coming within 50 feet of his house. Construction of the West Route would require removing his oaks and losing 100 feet of his front yard on the river bank. He would much prefer an underground river crossing but has been told that is not feasible for a high voltage line. There is no good option for crossing the river perhaps, but he would much prefer something other than what has been proposed.

Remarks of Mr. Patrick Humphrey: Mr. Humphrey lives on 132nd Street. The East Route runs north from Azalea Road to 132nd Street then east along 132nd to almost where it runs into 51st Avenue. The East Route turns north just before the intersection and then follows 51st Avenue as it curves slightly westward before continuing due north, forming a notch or triangle. Mr. Humphrey's property lies in that notch.¹³ Construction of the east route would affect him on three sides of his property. The transmission line towers would also require guy wires because the line angles around rather than runs in a straight line, further disturbing his views. Mr. Humphrey stated that just to the south of his property is a huge field frequented by Trumpeter Swans, Canadian Geese, and Sandhill Cranes and the powerlines would pose a threat to these large birds. Mr. Humphrey submitted Exhibits H and I.

Exhibits H and I. These exhibits are photographs of Sand Hill Cranes and Trumpeter Swans in fields south of Pillager near his residence.

Remarks of Ms. Tonya Enneking: Ms. Enneking owns the Pine Ridge Golf Club on Hillcrest Road.¹⁴ Six or seven acres of the golf range would be affected if the transmission line were to be built on the east side of Highway 10. Like others, Ms. Enneking does not want to say "don't put it here, put it in my neighbor's yard," but her property would be severely affected. Powerline construction will entail the removal of trees on holes 10 and 11 resulting in golfers teeing off in the direction of Highway 10 without trees to stop wayward golf balls. Holes 1 and 2 would also be affected by tree cutting. Placing the line on the east side of the highway would not only diminish the aesthetic and property value of her land just as with other residents, but it would also harm her family's livelihood. Ms. Enneking questioned whether she would be compensated for increases in her operating costs due to increased irrigation expense or damage to cars from golf balls as a result of the tree removal.

Remarks of Mr. Charles Carlson: Mr. Carlson lives on the west side of Highway 10 in a house he purchased 18 months ago. He is a mountain guide and instructs young people how to survive in the woods. He purchased his house in order to teach his children these skills. Placing the powerline along Highway 10 will disrupt peoples' livelihoods, their views, and "ruin why we live here." Mr. Carlson refuses to argue about which side of Highway 10 the line should be on. The line should be placed where it will not be so destructive and the oil company should pay the extra cost.

Remarks of Mr. Ed Shequen: Mr. Shequen lives on a recently purchased property on Aztec Road, which runs along the east side of Highway 10. His property is buffered from

¹³ See EA at Appendix D, Map Sheet 1, Map Grid Box 12, and Map Sheet 12.

¹⁴ See EA at Appendix D, Map Sheets 25 and 26.

the highway by mature oak and white pine trees. He would not have purchased the land if he had known a large transmission line might be located along Highway 10. Mr. Shequen stated that the powerline construction will make it impossible to see his property. He urged that the pipeline corridor be studied and that the MPL should absorb the costs.

After Mr. Shequen, everyone in attendance who had indicated a desire to speak on the hearing roster had done so. The Administrative Law Judge then allowed people who wanted another chance to speak or to ask questions to do so.

Additional Remarks of Mr. Kevin Brown: Mr. Brown spoke about the option to bring a 115 kV line from the Dog Lake substation to supply Motley and build along the pipeline corridor to power the oil pumping station, or perhaps move the pumping station. He also urged that the planned Shamineau substation be powered by lines built well to the west of Highway 10, crossing Highway 10 at County Road 203 or 3.

Mr. Strohfus replied that the Applicants were looking for large corridors for the transmission line and that County Roads 203 and 3 were small, narrow roads which would require much more tree clearing than building along Highway 10. The Applicants rejected a route running south from the Dog Lake substation for reasons of cost and congestion. The Applicants did not explore paralleling the pipeline because they do not generally build cross country as state law directs them to use existing corridors. In addition, there are the extra costs for construction across the wetlands to the south of the Dog Lake substation.

Mr. Brown countered that within a one hundred mile radius of Motley, there are many miles of bog areas with powerlines built across them. It is preferable to spread the additional costs of diverting the line away from people over all of the subscribers to the service than it is to place a huge burden on a few families. Mr. Brown made the point that some landowners in the area are retirees or people near retirement who are counting on eventually selling their property to support themselves. This Project will be devastating to them.

Question by Mr. Mark Frisk: Mr. Frisk asked when the Commission is going to visit Motley and look at the properties of affected residents.

Ms. DeBleeckere answered that the Commissioners generally do not make site visits but the Commission and DOC staff ensure that they have a complete record and they do review the record carefully.

Question by Mr. Greg Frisk: Mr. Frisk observed that the city of Motley recently put in an underground fiber-optic cable system and asked why the transmission line cannot be placed underground.

Mr. Strohfus replied that fiber optic cable is typically plowed in while high voltage lines require full excavation which is more expensive and disruptive. Also, the incremental cost of underground placement is recouped from local ratepayers and no community has thus far been willing to absorb the extra costs.

Mr. Woodruff with CWP added that high voltage lines require lots of insulation and that repairing underground lines is much more expensive than repairing overhead lines.

Question by Mr. Dean Johnson: Mr. Johnson lives on the north end of the West Route. He asked how wide the right-of-way would be that the Applicants propose to occupy outside the roadway. He also stated that he concluded from the surveying activity the Applicants had undertaken that they had already decided their route.

Mr. Heuring with GRE answered that it was 50 to 55 feet on each side of the existing road right-of-way to allow for future widening or other improvements to the road. He also said that sometimes GRE will build closer to the road in order to allow for some separation from a house or deal with other physical factors. With respect to the question concerning surveying activity, Mr. Heuring stated that the Applicants surveyed broadly to establish property lines, rights-of-way, and the like to be prepared to begin work quickly once a route was approved.

Mr. Johnson expressed interest in having the Applicants build closer to the roadway and away from his fields. Mr. Heuring did not know whether that would be possible.

Question by Ms. Lila Lewis: Ms. Lewis asked when construction would start.

Mr. Heuring responded that permitting would conclude late winter and be followed by several months for easement acquisition. Tree clearing would start in November or December of 2016 and construction would conclude in 2017.

Question by Mr. Russell Keppers: Mr. Keppers asked whether surveying had been conducted by the golf course along Highway 10.

Mr. Heuring responded that some surveying had been done but no stakes had been placed.

Question by Mr. Ken Swecker: Mr. Swecker questioned why the transmission line could not run south from the Dog Lake substation to the oil pipeline and put the pumping station where they intersect. He pointed out that fewer houses would be affected. Several members of the public supported Mr. Swecker's suggestion. Mr. Vanvickle added that most of the route Mr. Swecker proposed did not involve cross country construction.

Mr. Heuring and Mr. Strohfus agreed that the Applicants would respond in writing to the several suggestions they received to build the transmission line from the Dog Lake substation south to the oil pipeline and then along the pipeline right-of-way. Members of the public were advised to monitor the Commission's e-dockets website for this responsive filing.

Mr. Wohler with CWP added that there was a real need to upgrade the Motley substation because of the many service reliability issues that were occurring. Mr. Swecker's proposal does not eliminate that need.

Question by Mr. Mark Frisk: Mr. Frisk added that Mr. Swecker’s proposal could allow for a smaller line to be run along Azalea Road.

Mr. Lukkarila, the project manager for GRE, responded that the Motley substation needed to be upgraded to 115 kV because of voltage concerns. The 115 kV line along Highway 10 would still need to be built to power the future Shamineau substation.

Mr. Strohfus added that the Applicants would study this proposal and respond in a filing with the Commission.

Questions by Mr. Kevin Brown and Ms. Lila Lewis: Mr. Brown questioned whether the electrical system could not be engineered to eliminate the need to upgrade the Motley substation or upgrade it to a lesser voltage. Ms. Lewis similarly asked about options to eliminate the need to upgrade the Motley substation or move it.

SUMMARY OF WRITTEN TESTIMONY¹⁵

Eight individuals filed written comments through the Commission’s “*Speak Up!*” website.

Comment Nov. 5, 2015: This commenter lives on the west side of Highway 10 south of Ridge Road. The alignment along Highway 10 should be on the east side as there are already areas that have been cleared of trees. There are 19 people with actual highway addresses on its west side and only 5 on its east side. The commenter purchased his home in 2014 and it will lose value if the alignment is on the west side as the trees which currently block the view of the highway will be cut down. The commenter proposes that the alignment be on the east side, or if it must be on the west side, that it cross back to the east side at Ridge Road because there is only one private residence south of there. If property is taken on the west side, there should be payment for trees that are removed, driveways that must be relocated, the reduced value of property, and the inability to use the land.

Comment November 19, 2015: This commenter proposed building the line on the west side of Highway 10, especially considering the golf course’s location on the east side of the highway. Better yet would be placing the line well to the west of Highway 10 and following the oil pipeline. This commenter believes building along Highway 10 will reduce property values, destroy scenery, limit other land uses, and detract from the rural atmosphere.

Letter dated November 20, 2015 to the Public Utilities Commission from Philip Hexom: Mr. Hexom writes that the Project is a combination of two different projects. Upgrading the Motley substation would be better accomplished by moving it to Highway 210 as this will reduce the voltage drop to the Leader area and reduce the impact on

¹⁵ Because Mr. and Ms. Frisk read their written statements into the record, they are not re-summarized in this section. Mr. Frisk also filed his letter marked as Exhibit D in the Commission’s “*Speak Up!*” website.

property owners on the East and West Routes. Alternatively, the pipeline corridor could be used and the pipeline company should bear the cost.

Comment November 21, 2015: This commenter lives on Azalea Road and mentioned three concerns. First, EMF¹⁶ and stray voltage. This commenter stated that studies show a relationship between many types of cancer and overhead powerlines. The proposed line will be less than 100 feet from the commenter's home. Second, site disruption and removal of trees. The required 100 foot right-of-way would destroy many old growth trees. Third, the line would disrupt wildlife such as migratory birds and harm scenic values.

Letter dated November 21, 2015 from Mr. Brian and Ms. Susan Hoemberg to the Public Utilities Commission: The Hoembergs' property is on the east side of Highway 10. They too were told the line would be built on the west side of the highway. Their home is close to the highway and they have planted trees as a buffer as well as having some old growth white pine. They enclosed photos of their situation, showing their house and the Brown residence are very close to the highway while across the highway is open space.

Letter dated November 22, 2015 from Blayne & Rachel Ostrowski to the Public Utilities Commission: The Ostrowskis live on the east side of Highway 10 on property they recently purchased and they oppose construction on their side of the highway. They urge the line be built well to the west of the highway.

Letter dated November 22, 2015 from Raymond Knosalla to the Public Utilities Commission: Mr. Knosalla lives on the east side of Highway 10 and his frontage to the highway has a buffer of trees. The west side of the highway is vacant pasture. He opposed aligning the transmission line along the east side.

Letter dated November 23, 2015 from Douglas and Jackie Vogel to the Public Utilities Commission: The Vogels live on the east side of Highway 10, south of where the Frisks, Moultons, and Shequens live. They too currently enjoy a buffer of trees between their yard and the highway. Building the transmission line on their side of the highway would result in the removal of the buffer and the lowering of their property's value. Like other residents to the east of Highway 10, the Vogels were told initially that the line would be placed on the west side, which is why they did not comment earlier.

Letter dated November 23, 2015 from Mr. Patrick and Ms. Laurie Humphrey to the Public Utilities Commission: The Humphreys find that the conclusion in the EA regarding impacts to wildlife from the Project understate the impact on Trumpeter Swans and Sandhill Cranes. They submitted a map showing the fields visited by these birds on the East Route Option south of road 210 as well as pictures of the birds in the fields. These large birds are more prone to transmission line strikes than small birds. The presence of these birds on the East Route make the West Route option preferable. In addition, the West Route will cost \$498,000 less than the East Route. The Humphreys contend that an Environmental Impact Statement should be done to focus on the impact

¹⁶ EMF stands for "Electromagnetic Fields."

on Trumpeter Swans and Sandhill Cranes before a decision is made on the East Route or West Route.

In the event the East Route is selected, the Humphrey's home will be affected on three sides. Because the transmission line will go around their property, guy wires to stabilize the transmission line towers will be necessary, further degrading their views. In such an event, they propose the line be built along the west side of their property using the abandoned roadbed formerly known as Cass County 101.

In conclusion, the Humphreys noted that Map Sheet 12 in Appendix D of the EA shows a range of 250 feet for the alignment around their property and they would like clarification of the impact of this proposed placement on their property.

Letter dated November 25, 2015 from Mark Frisk to the Public Utilities Commission: Mr. Frisk states that the EA reports that putting the transmission line on the west side of Highway 10 would involve 19 homeowners while putting it on the east side would involve only 5. Mr. Frisk states that there are 15 homeowners on the west side and 13 on the east side. In addition, there are 3 businesses on the west side and 6 on the east side. He provided maps marking the homes and businesses along Highway 10, and calculated the distance from each to the centerline of Highway 10.

Mr. Frisk also references the letter from Charles and Kim Carlson. They live on the west side of Highway 10 across from the golf course. The Carlsons' residence is 434 feet from the highway while the Frisks' is 341 feet. The Frisks' home and those of their closest neighbors were missed in the EA because their driveways come off of Aztec Road rather than Highway 10. Mr. Frisk also points out that the west side of Highway 10 across from his property is state of Minnesota right-of-way. He also stated that much of the west side of Highway 10 is not forested. Consequently, residents on the west side are not sheltered from the highway at present and would not be so greatly affected as those homeowners who have a tree-buffer.

Letter dated November 26, 2015 from Ms. Peg Hartung, Owner of Lincoln Gas and Bait to the Public Utilities Commission: Ms. Hartung's business is on the east side of Highway 10. It relies on its exposure to Highway 10 for marketing its products. Constructing the powerline on her property would cause a loss of sales and inhibit her marketing ability. She believes an alternative route is available that will not hurt tourism.

Comment by Mr. Larry and Ms. Shirley Godejohn, November 26, 2015: The Godejohns are the owners of Staples Sports which is located on the east side of Highway 10. They display boats, trailers, pontoons, and other items along the roadside, and must frequently move them. Placement of transmission poles on their property would reduce the value of their property. The scenic values of the Lincoln Lakes area would also be damaged by locating the line along Highway 10.

Letter dated November 27, 2015 from Mr. Stanley and Ms. Joana Bettis to the Public Utilities Commission: The Bettises own property on the east side of Highway 10. Their property is wooded with mature trees. They originally were told the line would be placed

on the west side which has plenty of open space. The line should be placed on the west side, or better yet, some place away from the highway.

Comment November 29, 2015: This commenter complained about having been misled at the first meeting in Motley a year ago. Attendees at that meeting were led to believe that the Project would use the existing right-of-way on Azalea Road. Now it seems the Project will use MP's right-of-way with the consequence that this commenter will lose all of the trees sheltering the commenter's home. Removing the windbreak the trees provide will increase the commenter's heating costs. The easement for the line will go through the commenter's house, likely reducing the value of the commenter's property from its appraised value of \$100,000 to \$10,000.

The Fish Trap Lake substation will only benefit the pipeline company and the people who live around the lake. He recommends that rather than following Azalea Road, the line be continued down Bugle Road and cut over to Highway 10 further south.

Comment November 29, 2015: This comment is the second filing of an earlier comment reported above, with the addition that the commenter shares the health concerns voiced by Harvey Macheel.¹⁷

E-mail dated November 29, 2015 from Mr. Donald and Ms. Maureen Milless to Mr. Richard Davis and Ms. Tricia DeBleeckere: The Millesses support the proposal to build the transmission line in the oil pipeline right-of-way. If it costs more, the pipeline company should pay for it as it will be the beneficiary of the new line. In addition, new substations could be built to eliminate the need for upgrading the Motley substation, which in turn, would eliminate the need for the West and East Route options. The Millesses point out a number of places in the EA that finds the West Route Option has greater visual and environmental impacts than the East Route Option.

Comment by Mr. Mark Frisk, November 30, 2015: Mr. Frisk invited the Public Utility Commissioners to do a site visit so they would know what impact the Project will have.

Comment November 30, 2015: At the first informational meeting, Mr. Heuring said the line would be placed on the west side of Highway 10. As a result, people from the east side did not comment. The EA weighs heavily in favor of the east alignment. Mr. Strohfus's answers to questions indicated that he was more concerned about saving construction costs for the Company rather than about the degradation of property along the route.

Comment by Mr. Mark Frisk Nov. 30, 2015: Mr. Frisk stated that GRE commented at the public hearing that state statutes requires that transmission lines be built on existing corridors. Mr. Frisk states that the statute can be changed and that it was likely written before people knew that 115 kV lines requiring 100 foot right-of-ways be built. Property

¹⁷ The Administrative Law Judge is unable to identify which written comment was filed by Mr. Macheel at the "Speak up" website. But likely the health concerns are EMF and stray voltage.

owners would prefer the lines be constructed on the back side of farms and across country because, although it would cost more, it would not devalue their properties.

Comment November 30, 2015: This commenter states that many people along the route do not have computers or are not able to speak in front of crowds so their voices are not being heard. Residents do not want the Project built along Highway 10 or County Road 28. Power to the oil pumping station can come from the Dog Lake substation or be routed along County Road 2. The EA grossly underestimated the impact on homeowners. This Commenter believes that property values will fall by 30 to 50 percent or the affected properties will become unsaleable.

Comment November 30, 2015: This commenter opposes construction of the transmission line on 53rd Avenue because it will disrupt wildlife, trees, and the lives of the residents.

Letter dated November 30, 2015, to the Public Utilities Commission from Dan and Barb Donahue: The Donahues oppose granting the certificate of need and the route permit until alternative routes are further explored. In particular, two alternatives merit study. One is to construct the line from the existing Dog Lake substation south across the Crow Wing River following existing lines and roadway. Only four or five houses would be affected. The second alternative is to build along Highway 10 south from Azalea Road for one mile and then follow township road 25, cross the Long Prairie River then south to County Road 28 to meet the pipeline.

The Donahues also proposed that alternatives to upgrading the Motley substation be considered. The Fish Trap substation could be upgraded to take some of the load or Crow Wing Power could develop another substation north of Highway 210.

The West Route option runs through the Donahues' front yard and their cabin on the Crow Wing River. Construction of the line by 57th Avenue SW will remove the hardwood trees shielding their home from the road. The Donahues dispute the EA's conclusion that there will be minimal impacts to their property values. They provided photos that show stands of trees that will be removed if the transmission line is built near them.

The Donahues conclude that the process is set up to give the public a voice only on the routes that are convenient for GRE. It will be hard to add more routes without another environmental study and many reasons will be given for pushing ahead with the Company's proposal. Why should landowners suffer financially? The power companies should consider what is best for the future and not add a new river crossing.

Petition received November 30, 2015: The petition urges the Commission to terminate its exploration of routes along either the west or the east side of Highway 10. The petition has 54 signatures, including the signatures of many people who spoke at the hearing.

Dated: December 29, 2015

s/Jeffery Oxley

JEFFERY OXLEY

Administrative Law Judge

NOTICE

Under Minn. Stat. § 216E.04, subd. 6 and Minn. R 7850.3800, subp. 1, the Commission must provide for a public hearing to be held in the area where the electric power facility will be constructed once the EA is completed. The Commission appointed an Administrative Law Judge to act as the hearing examiner at the public hearing and to compile a record for the Commission to consider in making its final decision.



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December 29, 2015

See Attached Service List

Re: In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need and a Route Permit for the Motley Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties, Minnesota

**OAH 19-2500-32714
MPUC E015/CN-14-853; E015/TL-15-204**

To All Persons on the Attached Service List:

Enclosed and served upon you is the Administrative Law Judge's **SUMMARY OF PUBLIC TESTIMONY** in the above-entitled matter.

If you have any questions, please contact my legal assistant Denise S. Collins at (651) 361-7875 or denise.collins@state.mn.us, or facsimile at (651) 539-0310.

Sincerely,

s/Jeffery Oxley

JEFFERY OXLEY
Administrative Law Judge

JO:dsc
Enclosure

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
PO BOX 64620
600 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55164

CERTIFICATE OF SERVICE

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need and a Route Permit for the Motley Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties, Minnesota	OAH Docket No.: 19-2500-32714 MPUC E015/CN-14-853; E015/TL-15-204
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Denise S. Collins, certifies that on December 29, 2015 she served the true and correct **SUMMARY OF PUBLIC TESTIMONY** by eService, and U.S. Mail, (in the manner indicated below) to the following individuals:

14-853

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