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Docket #: 13-473

On Behalf Of: Minnesota Chamber of Commerce

Document Type: Testimony

Testimony of William Blazar Parts I and II. Mr. Blazar works for the Minnesota Chamber of Commerce and presents testimony for the following purposes:

“(to)explain the reason for MCC participation in this case.

(to) explain the local, regional, and statewide economic importance and impact of the Sandpiper Pipeline Project (“Project”).

(to) explain the potential beneficial electric rate impacts this project may provide to Minnesota ratepayers.

(to) explain how this project may help ease transportation concerns raised by MCC members.

(to) point to examples of the strong public support for this project.”

- Part I contains his direct testimony and Exhibits 1 – 3. Mr. Blazar’s testimony is approximately 12 pages long, with exhibits following.
 - Exhibit 1: Resume of William A. Blazar
 - Exhibit 2: Council on Foreign Relations, “The Shale Gas and Tight Oil Boom: U.S. States’ Economic Gains and Vulnerabilities,” A CFR Energy Brief, October 2013
 - Exhibit 3: Minnesota Department of Transportation and Minnesota Department of Employment and Economic Development, “Freight Rail Economic Development,” November 2013 (Draft)
- Part II contains Exhibits 4 – 13.
 - Exhibit 4: Minnesota Agri-growth Council Resolution, 10/16/14.
 - Exhibit 5: StarTribune, “Power plants worry about winter coal supplies,” David Shaffer and Jim Spencer, 11/15/14.
 - Exhibit 6: Letter from Kathy Benham of Minnesota Power, 11/3/14, with enclosure from Clair J. Moeller, 11/3/14.
 - Exhibit 7: Independent Market Monitor Monthly Market Metrics Report October 2014, David B. Patton, Ph.D., 11/19/14
 - Exhibit 8: Brainerd Dispatch, “Build the pipeline,” Rosanne Caughey, 9/22/14.
 - Exhibit 9: AGWeek, “Pipeline would help rail delays,” Tim Neft, 10/13/14.
 - Exhibit 10: Mesabi Daily News, “Let’s get the pipelines going,” Editorial, 10/15/14.
 - Exhibit 11: StarTribune, “State drags its feet on Sandpiper pipeline,” Brad Meier, 10/23/14.

- Exhibit 12: StarTribune, “Counterpoint: Pipelines move oil safely and efficiently,” Brad Shamla, 9/10/14.
 - Exhibit 13: Minnesota Business Magazine, “Power Play: Five Minnesota companies – in five very different sectors – reaching for energy profits,” by Dan Emerson, No date.
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On Behalf Of: Minnesota Chamber of Commerce

Document Type: Testimony

The direct testimony of Erik Younggren is approximately 8 pages long, followed by 8 attachments. Mr. Younggren operates a farm in Kittson County, MN, growing wheat, soybeans, and sugar beets, and is a member of the Minnesota Agri-Growth Council. In general, his testimony cites the need for the pipeline to transport oil, easing the congestion on the railroads so the grains can be transported.

- Attachment A: Testimony provided by Bob Zelenka, Executive Director, Minnesota Grain and Feed Association, 9/4/14 at STB Rail Issues Hearing.
 - Attachment B: The AgriNews, “Rail congestion costs farmers,” 10/10/14.
 - Attachment C: KSTP Eyewitness News, “Mandated Railroad Reports Highlight Farmers’ Frustrations,” Joe Augustine, 10/27/14
 - Attachment D: Fox Business, “Report: Rail shipping delays cost Minnesota corn, soybean, wheat farmers nearly \$100 million,” Associated Press, 7/10/14.
 - Attachment E: Minnesota Department of Agriculture, “Minnesota Basis Analysis,” Edward Usset, 7/10/14.
 - Attachment F: Agmetaminer.com, “Railroaded: How a Rail-Car Backlog Caused by Oil Shipments is Harming Commodities,” Jeff Yoders, 9/16/14.
 - Attachment G: Testimony of Charlie Poster, Assistant Commissioner at the Minnesota Department of Agriculture to the National Grain Car Council, No date.
 - Attachment H: Written Testimony of U.S. Senator Amy Klobuchar to the Minnesota Senate and House Joint Hearing on Rail Congestion in Minnesota, 9/30/14.
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On Behalf Of: Friends of the Headwaters

Document Type: Testimony

The testimony of Richard Smith is approximately 6 pages long. The purpose of his testimony is to introduce maps and other materials into the proceeding and to summarize the position of the Friends of the Headwaters. In general, the position of FOH is that “Minnesota does not need another new pipeline corridor passing through the state’s most sensitive water resources,” and “that the state should not only conduct a full environmental impact statement (EIS) with a complete environmental and economic risk assessment of the Applicant’s proposed route, but also include a number of the System Alternative Routes proposed by citizen groups,” and “only a full scope EIS can determine the state’s NEED for this pipeline as currently proposed.”

The maps he submits are titled as follows:

- Minnesota’s Clearest Lakes
- Fishhook River Watershed
- Ground Water Contamination Susceptibility in Minnesota
- Lakes with Wild Rice
- Wetlands
- Major Basins and Watersheds of Minnesota
- Class V Sensitivity/Dominant Soil Orders
- Minnesota Ecological Sections and Subsections/Minnesota Land Cover
- Relationship of the Company route and the two system alternatives on roadmap of MN
- Final page containing several maps of interest

Most of the maps include references to the Company’s route, SA-03, and SA-04.

The testimony of Paul Stolen is approximately 50 pages long and is organized into eight sections, each with several subsections. It concludes with the recommendation that the MEQB would be the suitable RGU for an EIS for this project. The Table of Contents provides a good outline for the testimony and the appendices.

- I. INTRODUCTION REGARDING QUALIFICATIONS AND PURPOSE OF TESTIMONY 4
- II. WHY ARE PIPELINE PROPOSALS IN MINNESOTA CONTROVERSIAL NOW AS COMPARED TO THE PAST? 11

- III. PRACTICAL GUIDE TO ENVIRONMENTAL REVIEW (ER) AND PREPARATION OF REVIEWS OF LARGE PIPELINE PROJECTS 12
- IV. WHY WOULD AN EIS BE NORMAL GOOD PRACTICE FOR THE CERTIFICATE OF NEED FOR SANDPIPER/LINE 3? 19
- V. POTENTIAL OPERATION IMPACTS OVER APPROXIMATELY 50 YEAR OPERATION WITH FOCUS ON PIPELINE ACCIDENTS, LEAKS AND RUPTURE AND POTENTIAL CONSEQUENCES 22
- VI. OVERVIEW OF INSTALLATION OF LARGE DIAMETER PIPELINES AND RESULTING ENVIRONMENTAL IMPACTS 32
- VII. WHAT ARE THE MAIN ENVIRONMENTAL IMPACTS OF PIPELINES, HAVE THEY BEEN ADEQUATELY IDENTIFIED AND ANALYZED FOR THE TWO ENBRIDGE PROJECTS, AND WHAT, IF ANY, PERMIT AUTHORITY IN MINNESOTA OR FEDERAL LAW EXISTS TO REQUIRE MITIGATION OF SUCH IMPACTS? 41
- VIII. SUCH IMPACTS? 41
- IX. OVERVIEW OF PROBLEMS WITH MINNESOTA POLICY REGARDING REVIEW OF NEW LARGE DIAMETER PELINES 46

- ❖ Appendix 1. April 4, 2014 comments of Paul Stolen submitted to the Department of Commerce during the hearings on the route permit plus attachments..... 50
- ❖ Appendix 2. Additional May 28 2014 comments to the Minnesota Department of Commerce during the route permit hearings from Paul Stolen..... 102
- ❖ Appendix 3. Construction of the Northern Border pipeline in Montana. Report of Interagency Pipeline Task Force 111
- ❖ Appendix 4. News story regarding Enbridge filing of new figures on cost of the 2010 pipeline rupture in Michigan 112
- ❖ Appendix 5. July 30 2012 letter from PHSMA to Enbridge regarding corrective action order on 24-inch line 14 in Wisconsin because of July 2012 113
- ❖ Appendix 6 August 1, 2012 letter from PHMSA to Enbridge Inc regarding amended corrective actions order issued for the 24-inch line 14 in Wisconsin. 113

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On Behalf Of: United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

Document Type: Testimony

Mr. Barnett is “a Special Representative assigned to the Pipeline and Gas Distribution Department for the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO (“United Association”). His testimony is approximately 13 pages long and its purpose is to “discuss the need for the Sandpiper pipeline project from a labor organization, construction-oriented viewpoint. (He discusses) how United Association members, Minnesota residents and the State of Minnesota would benefit socioeconomically from this project.” His testimony is formatted as follows:

- I. Introduction and Background
- II. Need for Sandpiper
- III. Sandpiper Construction and Reliability

This is followed by additional submissions:

Schedule 1 – David L. Barnett’s resume

Schedule 2 – Local 798 Training Center Student Manual

Schedule 3 – UA Standard for Excellence booklet

Schedule 4 – The United Association and America’s Energy Future 2014

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On Behalf Of: Carlton County Land Stewards

Document Type: Testimony

Mr. Chapman wishes to make the following points in this testimony:

- a.) The schedule adopted for reviewing the system alternatives by the State through its contractor HDR is not adequate to the task assigned. HDR is being asked to do a very challenging job in a very short time, and the results are likely to suffer.
- b.) The process of arriving at a quality environmental review would greatly benefit from a more careful discussion among the parties and state agencies as to the data that will be used and the qualitative and quantitative factors that will be analyzed and reported in order to assess the routes in question. We are concerned that the factors being selected for review are too limited and that the approach is too narrow to obtain a high quality result and improve the likelihood of addressing long term risk.
- c.) The use of GIS for comparison of alternatives in cases like this provides great power when properly applied. The debate over system alternatives will be significantly improved if the data sources and processing are fully transparent and if the analytical steps and metrics are explicitly defined and justified from the standpoint of significant environmental impacts. Data sharing and agreement on methods should involve the project applicant, the state’s contractor, and the

parties. This is especially important when parties are asked to work on a tight schedule. We recommend that the DOC-EERA adopt a more open and transparent process along these lines and that early in the analytical process a schedule of regular communication be created regarding the methods being adopted to analyze GIS data, and that all data and GIS system files be shared by all parties without delay, given the current schedule.

d.) The schedule adopted by the Administrative Law Judge is unrealistic in that it assigns too little time for the State's contractor HDR, and even less time for other agencies and intervening parties to have a meaningful opportunity to help improve the process and ensure a high quality result.

Mr. Chapman provides a table in which he compares the data layers his company (AES) potentially would use in its analysis of the preferred route and system alternatives to the data layers used by NDPC and to those which are being used by HDR in the analysis due 12/16/14. Additionally, his 15 page resume is included.

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On Behalf Of: Kennecott Exploration Company

Document Type: Letter

“Kennecott Exploration Company (“Kennecott”) submits this brief update to inform Your Honor, the Minnesota Public Utilities Commission and Parties to the above referenced proceeding that Kennecott does not intend to submit testimony in this Certificate of Need proceeding related to North Dakota Pipeline Company LLC’s (“NDPC”) proposed Sandpiper crude oil pipeline (“Pipeline Project”). Kennecott does intend to continue to monitor this proceeding and participate if and as necessary to safeguard its interests. Kennecott also intends, however, to be an active participant in any subsequent routing proceeding in MPUC Docket No. PL-6668/PPL-13-474.”

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Docket #: 13-473, 13-474

On Behalf Of: Honor the Earth

Document Type: Testimony

Winona LaDuke is Executive Director for Honor the Earth. The purpose of her testimony is to “demonstrate there is no need for this pipeline, that the economic benefits are not permanent

jobs in Minnesota, and that environmentally every state agency that understands the value of clean and pristine water, for lakes and rivers and wild rice, tourism, and for the ecosystem we Anishinaabeg reserved for our perpetual rights to hunt, fish and gather by a series of treaties with the United States.” Her testimony is approximately 3 pages long. She then provides expanded testimony in six parts:

1. Present pipeline and rail car capacity is more than adequate to meet market need, and there is no support by the shippers or potential customers for the Enbridge proposal,
2. Production in the Bakken is vastly over projected by the Enbridge Company and will diminish significantly in the upcoming decade. By the time the Enbridge Sandpiper Proposal would be actualized, according to the Company’s hopes metered with public policy reality and regulatory as well as market circumstances, there will not be adequate supply,
3. Necessary Regulatory interventions will eliminate the artificial economic advantages of the Bakken Production,
4. Political Instability in the Production will result in diminished production of the Bakken,
5. Stranded Assets and Risk for the State of Minnesota and Anishinaabeg People and
6. Pipeline Regulations will likely increase, causing more expense for this project, and making it, additionally unviable, while Rail line transport will become a long term viable solution for shippers, due to market flexibility.

Incidentally, the two filings labeled Ex 1, Part1 and Ex 1, Part 2 are not, in fact, different. The “Part 1” appears to be a misfile and contains only the first 15 pages, so just look at the “Part 2” filing.

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Docket #: 13-473, 13-474

On Behalf Of: Greater North Dakota Chamber

Document Type: Testimony

Ms. Herauf is the government and regulatory affairs specialist at the Greater North Dakota Chamber. Her testimony is approximately 3 pages long, divided into the following:

- I. Introduction
- II. Impact of the Business Community
- III. Conclusion

Essentially, she says that “the ability to utilize the Sandpiper Pipeline would get a number of the oil trucks off the road, leaving more room for other drivers, creating a safer transportation climate.”

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On Behalf Of: DOC DER

Document Type: Testimony

Two documents are labeled Trade Secret and can not be viewed from the eDocket page by me.

Adam J. Heinen presents testimony for the DOC DER. He is a Public Utilities Rates Analyst with the Minnesota Department of Commerce, Division of Energy Resources. The purpose of his 125 page testimony is to review and respond to the Application for a Certificate of Need for a Crude Oil Pipeline filed by NDPC. Mr. Heinen first summarizes the proposed project and then addresses four parts of the Rule that describe the basic criteria that must be met.

- Minnesota Rules part 7853.0130. A – whether the probable result of denial [of the CN] would adversely affect the future adequacy, reliability, or efficiency of energy supply to the applicant, the applicant’s customers, or the people of Minnesota and neighboring states.
- Minnesota Rules part 7853.0130. B – whether a more reasonable and prudent alternative to the proposed facility has been demonstrated by a preponderance of the evidence on the record by parties or persons other than the applicant;
- Minnesota Rules part 7853.0130. C – whether the consequences to society of granting the certificate of need are more favorable than the consequences of denying the certificate; and
- Minnesota Rules part 7853.0130. D – whether it has been demonstrated on the record that the design, construction, or operation of the proposed facility will fail to comply with those relevant policies rules, and regulations of other state and federal agencies and local governments.

Mr. Heinen’s testimony is thorough and detailed and I hesitate to attempt to summarize it. I recommend a reading of the last 10 pages, which include his conclusions and recommendations. (I believe there to be an error on page 116, line 9, where he appears to say the direct opposite of what context would indicate he means.) Two points I will put here is that it is clear in his conclusion that he believes Minnesota does not need the oil from this pipeline, although other entities may need it and Minnesota may benefit from this pipeline in the

elimination of some other transportation congestion. Also, the two system alternatives, SA-03 and modified SA-03, have not been shown by the Applicant to be unreasonable.

Additionally, there are 44 attachments that are summarized on the first page of the attachment filings.

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On Behalf Of: Laborers District Council of MN & ND

Document Type: Testimony

Matt Duncombe is a member of Laborers' Local 563. The purpose of his testimony is "to explain what skilled union pipeliners do, how we work to protect public safety and the environment, what it's like to work on an Enbridge project, and what approval of the Sandpiper project would mean to people like me." His testimony is 3 pages long and ends "I didn't know anything about pipelines until I got my first job on the original Keystone line, and since then I've never looked back. I wasn't in a good place when I was 20 and pipelining turned everything around. It gave me purpose, it taught me discipline, it introduced me to brotherhood, and it has allowed me to provide for my family. I want to see other people get that same opportunity."

Dan Olson works as International Representative for the Laborers' International Union of North America and also serves as the elected Business Manager of Laborers' Local 1091. The purpose of his two page testimony is to "explain the basis of LIUNA's support for the Sandpiper Pipeline project and the issuance of a certificate of need to move forward on the project." He believes that the "most direct and immediate benefit...would be the creation of good, solid creation of career opportunities for the working men and women members of the (LIUNA)." He also states that "the greatest benefit of the project will be a major investments in the future reliability of the of our most important energy resources – the oil needed to produce fuel and other essential petroleum-based products."

Dwight Engen – is the Construction Marketing Director of the Minnesota Laborers – Employers Cooperation & Education Trust. The purpose of his three page testimony is to "explain the potential impact on Minnesota's construction industry of a decision to approve or reject Enbridge's application for a certificate of need to build the proposed Sandpiper pipeline." He looks forward to the creation of 3,000 jobs for this project, which is especially good at this time because no other pipelines are being built right now and the workers are "ready to get back in doing the work they love and know." He also says that there are "shortages in getting concrete

raw materials to the marketplace...due to the increased amount of rail traffic,..a result of increased oil transportation being put on the system.”

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On Behalf Of: PUC

Document Type: Notice of Commission Meeting

There will be a meeting of the Commission on Thursday, December 4, 2014 at 9:30 am at the Public Utilities Commission Large Hearing Room. Our docket numbers are third on the agenda, which reads as follows:

“In the Matter of the Application of North Dakota Pipeline Company LLC for a Certificate of Need for the Sandpiper Pipeline Project in Minnesota;

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

Should the Commission reconsider its October 7, 2014 Order Separating Certificate of Need and Route Permit Proceedings and Requiring Environmental Review of System Alternatives? (PUC: Ek)

The Commission has the authority to accept or decline a petition for reconsideration with or without a hearing or oral argument. (Minnesota Rules 7829.3000, Subpart 6) In other words, a decision on a petition for reconsideration can be made without taking oral comments at the Commission meeting.”

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On Behalf Of: North Dakota Pipeline Company LLC

Document Type: Other

NDPC filed an updated project overview map that reflects updates to NDPC’s preferred route. The map is one page and contains updates from three alternatives submitted by NDPC. The PUC already had these updates, but requested NDPC submit this map additionally.