

2009 HOUSE NATURAL RESOURCES

HB 1033

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1033

House Natural Resources Committee

Check here for Conference Committee

Hearing Date: 1-16-09

Recorder Job Number: 7143

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter - Rep. Klein is on his way here. Is anyone here from Legislative Council or from the Energy & Transmission? Anyone in favor of HB 1033?

Rep. Matt Klein – The bill before you is a very simple bill. It designates a route for a transmission line or pipe line. There is a 6 month period that the public service commission can take to provide the answer to that. They claim they need to hire a consultant in many cases. They could get a consultant on retainer and he could be there the next day. Another item is it takes too long and the delays are costly.

Chairman Porter - Questions? Further testimony in support of HB 1033? Testimony in opposition to HB 1033?

Kevin Cramer – Public Service Commission - See Attachment # 1. Quick answers with insufficient evidence and testimony don't usually mean an affirmative answer. We could speed the process up, but that could mean fewer transmission lines in ND.

Chairman Porter - Rep. Keiser

Rep. Keiser – What would be the difficulty with having the 3 month versus the 6 month?

Kevin Cramer – An extension could be granted with just cause. The commission determines whether the cause is just or not. In many respects it really is a moot point. You could make it

3 days. The fact of the matter nobody can build a transmission line without a route permit.

We issue the route permits and we do it on the timeline we are capable of doing it.

Chairman Porter – Further questions for Mr. Cramer? Rep. DeKray

Rep. DeKray – How much is the legal challenges slowing the processes? We some organizations in the state that have made it their game to challenge everything. How much is that slowing you down?

Mr. Cramer – Due process is the main reason for taking time, it is the main reason for public hearings. Some of the entities you are referring to have taken a much stronger foot hold than other states, at the same time there are good to protect the natural & cultural resources for people and the landowners. In my opinion this is just a very unnecessary bill.

Chairman Porter – Further questions for Mr. Cramer? Further testimony in opposition of HB 1033?

Mary Mitchell – in audible

Chairman Porter – Any further questions? Further opposition? Close the hearing on HB 1033.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1033

House Natural Resources Committee

Check here for Conference Committee

Hearing Date: 1-22-09

Recorder Job Number: 7547

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter –Open the hearing for HB 1033.

Rep. DeKray – Move Do Not Pass

Chairman Porter – I have a motion from Rep. DeKray for Do Not Pass

Rep. Clark – 2nd

Chairman Porter – 2nd from Rep. Clark Discussion on motion.

Yes 9 No 0 Absent 4 Carrier Rep. Clark

Date: 1-22-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1033

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended

Motion Made By DeKrey Seconded By Clark

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hanson		
Vice Chairman Damschen			Rep Hunskor	✓	
Rep Clark	✓		Rep Kelsh		
Rep DeKrey	✓		Rep Myxter	✓	
Rep Drovdal	✓		Rep Pinkerton	✓	
Rep Hofstad	✓				
Rep Keiser					
Rep Nottestad	✓				

Total (Yes) 9 No 0

Absent 4

Floor Assignment Clark

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 23, 2009 7:50 a.m.

Module No: HR-13-0784
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1033: Natural Resources Committee (Rep. Porter, Chairman) recommends DO NOT PASS (9 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1033 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

HB 1033

1

House Bill 1033

Presented by: Kevin Cramer
Public Service Commission

Before: Natural Resources Committee
Honorable Todd Porter, Chairman

Date: January 16, 2009

TESTIMONY

Mister Chairman and members of the Committee, I am Kevin Cramer, President of the North Dakota Public Service Commission. I am here to testify on behalf of the Commission which is unanimous in opposition to House Bill 1033.

Under present law the Commission has six months to issue a route permit for an energy transmission facility. Even with a substantial increase in siting applications and energy development in North Dakota, the Commission makes every effort to designate a route as efficiently and expeditiously as possible. Currently, the Commission has 48 open siting cases compared to last legislative session when there were only 16 open siting cases.

Many elements of the siting process are beyond the Commission's control. The Commission is required by law to hold a public hearing in each county in which any portion of a route is proposed to be located or hold a consolidated hearing in one or more of the affected counties. Under North Dakota law, notice of this public hearing must be published twice, once at least twenty days prior to the hearing, and once within twenty days prior to the hearing. Of course there are publication timelines with the daily and weekly newspapers to consider. Also, the

Commission must vote on issuing the notice at a properly called and noticed meeting where a quorum is present. Even if a complete application was filed the last day before a Commission meeting with a hearing date scheduled, a room booked, travel plans made for all of the witnesses, commissioners, judge and counsel, almost one month of the time allowed for reaching a decision in these cases is consumed by hearing notice publication requirements.

The Commission would then have two months following the hearing to issue a route permit which also requires a properly called and noticed meeting. Two months is often not enough time for the Commission and its staff to complete its substantive work concerning an application. If the applicant does not provide all of the information the Commission needs to issue the route permit, or an issue develops at the hearing, the Commission must request additional information from the applicant following the hearing. It is very rare that a hearing concludes without late filed exhibits being required. The applicant then takes additional time to compile this information and file it with the Commission. The Commission and staff complete a review of this information, hold any necessary work sessions, and then issue the order and route permit.

Reducing the time allowed for the public to review and comment on a project contradicts the spirit of the public hearing process and diminishes the integrity of our charge to protect cultural and natural resources and people.

This concludes my testimony Mr. Chairman and I'll answer questions.

Company	Type	Complete Application	Date of Initial Order	Days B/W Complete App & Order Date	Estimated Investment
South Heart Coal LLC (a subsidiary of Great Northern Power Development)	Coal-to-Gas: 100 MMSCFD; South Heart				\$ 1,400,000,000
TOTAL ESTIMATED INVESTMENT - COAL BENEFICIATION FACILITY					\$ 1,400,000,000
Westmoreland Power, Inc.	Coal-to-Electricity: 500 MW; Bowman County				\$ 900,000,000
TOTAL ESTIMATED INVESTMENT - GENERATING STATION					\$ 900,000,000
Whiting Oil and Gas Corporation	Pipeline: oil, 8-inch, 17-mile; Mountrail County	26-Nov-08			\$ 6,100,000
Whiting Oil and Gas Corporation	Pipeline: gas, 6-inch, 16.5-mile; Mountrail County	26-Nov-08			\$ 3,300,000
Plains All American Pipeline LP	Pipeline: oil, 6-inch, 33-mile, 10,000 BPD; Stark County				\$ 16,000,000
Enbridge Pipelines (North Dakota) LLC	Pipeline: oil, pump station upgrade; Stanley	22-Oct-08	5-Dec-08	44	\$ 6,000,000
Enbridge Pipelines (North Dakota) LLC	Pipeline: oil, pump station upgrades; Alexander, Trenton, Beaver Lodge, Stanley, Blaisdell, Denbigh, Penn, Larimore, Minot, Pleasant Lake, Bartlett	2-Apr-08	4-Jun-08	63	\$ 119,700,000
Enbridge Pipelines (North Dakota) LLC	Pipeline: oil, 8-inch; 2100-feet; Williams County	22-Aug-07	19-Sep-07	28	\$ 500,000
Belle Fourche Pipeline Company	Pipeline: oil, 8-inch, 31.3-mile, 30,000 BPF; McKenzie County	25-Sep-07	9-Nov-07	45	\$ 10,200,000
Dakota Gasification Company	Pipeline: CO2, 14-inch, 11,400-feet; across Lake Sakakawea; McKenzie & Williams Counties	16-May-07	27-Jun-07	42	\$ 10,500,000
Enbridge Energy, Limited Partnership	Pipeline: oil, 36-inch, 28-mile; Pembina County	22-Aug-07	31-Dec-07	131	\$ 63,500,000
Enbridge Pipelines (Southern Lights) L.L.C.	Pipeline: oil, 20-inch, 28-mile; Pembina County	22-Aug-07	31-Dec-07	131	\$ 31,528,800

Company	Type	Complete Application	Date of Initial Order	Days B/W Complete App & Order Date	Estimated Investment
TransCanada Keystone Pipeline, LLC	Pipeline: oil, 30-inch, 217-mile, 435,000 BPD; Pembina, Cavalier, Walsh, Nelson, Steele, Barnes, Ransom, and Sargent Counties	2-May-07	21-Feb-08	295	\$ 277,000,000
Enbridge Pipelines (North Dakota) LLC	Pipeline; oil; new pump stations; Blaisdell, Denbeigh, Penn, Larimore	9-Aug-06	20-Sep-06	42	\$ 16,925,000
Enbridge Pipelines (North Dakota) LLC	Pipeline: oil; 10-inch; 52-mile; Williams County	28-Jul-06	20-Sep-06	54	\$ 25,122,200
Enbridge Pipelines (North Dakota) LLC	Pipeline; pump station upgrades; Alexander, Trenton, Beaver Lodge, Stanley	26-Jul-06	23-Aug-06	28	\$ 16,450,000
Enbridge Pipelines (North Dakota) LLC	Pipeline; oil; new pump station, East Fork; pump station upgrades; Alexander, Trenton	24-May-05	28-Jul-05	65	\$ 3,200,000
Plains Pipeline, L.P.	Pipeline; oil, 10-inch; 2.75-mile, McKenzie & Williams Counties	5-Oct-05	22-Nov-05	48	\$ 1,500,000
Plains Pipeline, L.P.	Pipeline; oil; 10-inch; 9.6-mile; McKenzie & Williams Counties	14-Jul-05	5-Oct-05	83	\$ 1,500,000
TOTAL ESTIMATED INVESTMENT - PIPELINES - 2005 TO PRESENT					\$ 609,026,000
Cenex Pipeline LLC	Pipeline; oil; 8-inch; 479-feet	5-Nov-02	4-Dec-02	29	\$ 15,000
Dakota Gasification Company	Pipeline; CO2; 14- & 12-inch; 167-mile; Mckenzie, Williams, & Divide Counties	27-Aug-97	31-Dec-98	491	\$ 40,000,000
TOTAL ESTIMATED INVESTMENT - PIPELINES - 1996 TO 2005					\$ 40,015,000
TOTAL ESTIMATED INVESTMENT - PIPELINES 1996 TO PRESENT					\$ 649,041,000
Allete, Inc.	Electric transmission: 230 kV; Center; Oliver County				\$ 10,000,000
M-Power, LLC	Electric transmission: 230 kV, 13-mile; Barnes & Steele Counties	19-Jun-08	30-Oct-08	133	\$ 4,550,000

Company	Type	Complete Application	Date of Initial Order	Days B/W Complete App & Order Date	Estimated Investment
Ashtabula Wind, LLC	Electric transmission; 230 kV; 9.5-mile; Barnes County	4-Apr-08	30-May-08	56	\$ 3,000,000
Minnkota Power Cooperative	Electric transmission; 230 kV; 61.6-miles; Barnes, Cass & Steele Counties	21-Apr-08	6-Jun-08	46	\$ 29,000,000
Otter Tail Power Company	Electric transmission; 230 kV; 83.8-mile; Hankinson-Ellendale reroute; Richland County	23-Jan-08	6-Mar-08	43	\$ 260,000
Northern States Power Company	Electric transmission; 345 kV; 250-mile; Cass & Richland Counties				\$ 390,000,000
Basin Electric Power Cooperative, Inc.	Electric transmission; 230 kV; 50-mile; Williams County				\$ 20,500,000
Basin Electric Power Cooperative, Inc.	Electric transmission; 230 kV; 74-mile; Stark, Hettinger, Slope, Bowman Counties	19-Jun-08	3-Dec-08	167	\$ 33,000,000
Tatanka Wind Power, LLC	Electric transmission; 230 kV; 12-mile; Dickey & McIntosh Counties	22-Nov-06	21-Mar-07	119	\$ 7,300,000
FPL Energy Oliver Wind, LLC	Electric transmission; 230 kV; 542-feet; Oliver County	28-Jul-06	23-Aug-06	26	\$ 2,000,000
PPM Energy, Inc.	Electric transmission; 230 kV; 8-mile; Pierce County	29-Jun-05	7-Sep-05	70	\$ 2,750,000
FPL Energy Burleigh County Wind, LLC	Electric transmission; 230 kV; 30-mile; Burleigh County	25-Apr-05	10-Aug-05	107	\$ 5,000,000
TOTAL ESTIMATED INVESTMENT - TRANSMISSION LINES					\$ 507,360,000