

Utility Easement Cases

Seminar Draws Attendees from 13 States



BY JOANIE M. MILLER, SR/WA, R/W-EC

A two-day seminar was held in August on *Acquisition in an Environment of Power Demand Growth and Legislative Mandates* in Stillwater, Minnesota. Hosted by the Great River Energy's Land Rights Department, along with IRWA North Star Chapter 20, the purpose of the seminar was to discuss topics concerning legal and appraisal issues in utility easement cases.

Gary Ostrom, SR/WA, and Larry Martin, SR/WA, organized an impressive group of volunteer speakers whose experience included utility acquisition, valuation and legal issues. A portion of the seminar was dedicated to case studies of current projects in various phases of construction. As witnessed by the extraordinary attendance, these projects were of great interest based on their complexity, commissioners' awards, location and controversial nature.

Participants included utility and consulting companies from 13 different states. With over 120 professionals in attendance, participants came from Tucson, Arizona (Tucson Electric Power); Tucker, Georgia (Georgia Transmission Corporation); Salem, Oregon

and West Virginia (both from Universal Fields Services); Omaha, Nebraska (Omaha Public Power District); St. Louis, Missouri (Ameren); Detroit, Michigan (DTE Energy Corporate Services); Topeka, Kansas (Westar Energy Inc); Bellevue, Washington (HDR Engineering); Bismarck, North Dakota (Basin Electric); along with several companies from Minnesota, Wisconsin and Michigan.



At the Region 3 Fall Forum in October, checks were presented to the Education Foundations. From left, Bruce Reed, SR/WA; Bill Rottschaefter; Greg Cooley, SR/WA; Joanie Miller, SR/WA; and Craig Poorker, SR/WA.

The seminar began with a presentation on Legal and Damage Issues in Utility Easement Cases, by James Dorsey from Leonard, Street and Deinard and by Howard Roston and Brad Gunn, both from Malkerson Gilliland Martin, LLP. A session on Appraisal Issues in Utility Easement Cases was presented by Darrell Koehlinger of Integra Realty Resources and John Schmick from the Shenehon Company. We were also honored to have guest speaker, Minnesota Senator Gary Kubly of District 20 and co-author of the new Minnesota 25/25 Renewable Energy Mandate (SF 4) which was recently signed into law by Minnesota Governor Pawlenty. Renewable Energy Standard (SF 4) sets standards for electric utilities to supply certain percentages of their energy from renewable sources. All Minnesota electric utilities must achieve a minimum of 25 percent renewable energy by 2025.

Expanding Electric Transmission Grid

Representing Great River Energy, Craig Poorker, SR/WA, outlined the CapX 2020 project and its various components. CapX 2020 is a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region whose goal is to expand the electric transmission grid to ensure continuous and reliable service. Planning studies have indicated that customer demand for electricity will increase from 4,000 to 6,000 megawatts (MW) by the year 2020. Of course, this demand is much greater than the capacity of today's system.

The new transmission lines will be built in phases designed to meet this growth and support renewable energy expansion. CapX 2020 proposed Group 1 projects include three 345-kV lines and a 230-kV line. The CapX 2020 projects represent the first major upgrade to the region's high voltage grid in more than 25 years. For more information on the projects, please visit www.capx2020.com.

Jesse Glasgow, Manager of Photo Science with Georgia Transmission Corporation (GTC) spoke on routing techniques, methodology, research and development and industry needs using case studies to illustrate. Chuck Scarborough, Manager of Land Services with GTC discussed Georgia's growth and described GTC's mission, accomplishments and challenges, along with some important lessons learned along the way.

Once the educational sessions had concluded, the speakers presented specific cases studies and shared their respective war stories. The Great River Energy's West Metro case study was a 10-mile upgrade project of a 69 kV to a 115 kV, in addition to a new four-mile section of 115 kV line in a densely populated area of the Twin Cities. Presenters were Gary Ostrom, SR/WA, Land Rights Manager with Great River Energy, Larry Martin, SR/WA, from L.D. Martin & Associates, Ltd., Jeff Johnson from Integra Realty Resources and Alan Leirness, a Condemnation Commissioner from Colliers Turley Martin Tucker.



Blue Lake Generation Project

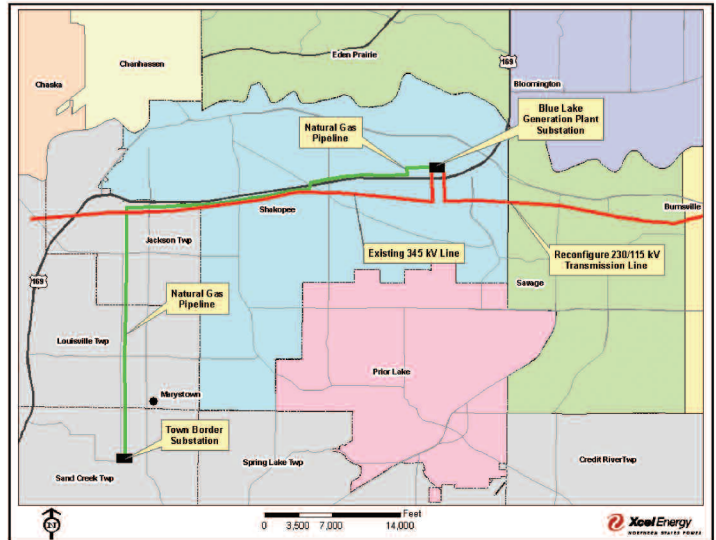
The case study on Xcel Energy's Blue Lake Generation Project was presented by David Callahan, SR/WA, Supervisor, Siting & Land Rights Department at Xcel Energy and James H. Anderson, P.A. from Stern & Anderson. The project consists of a natural gas combustion turbine station at its Blue Lake electric generating facility located in Shakopee, Minnesota, an electric transmission line reconfiguration for outlet capacity, a new substation addition and an underground natural gas transmission pipeline to the generation plant.

A construction permit was granted by the Minnesota Environmental Quality Board to Petitioner under the state siting process for the facilities. The generation plant, the electric line reconfiguration and termination and the substation addition were constructed on existing property and rights of way owned by Xcel Energy.

The 10-mile long route for the gas transmission pipeline was a new easement acquisition that runs from a Northern Natural Gas pipeline located near Marystown in Sand Creek Township to Petitioner's Blue Lake Generation site located in the City of Shakopee. Specifically,



Construction phase of Great River Energy's West Metro 10 mile upgrade.



Blue Lake Generation Project: pipeline route

the pipeline travels north from the Northern Natural Gas pipeline along the east side of Zumbro Avenue to the south side of U.S. Highway 169. It then travels east along the south side of U.S. Highway 169 to a point west of its intersection with Scott County Highway 16. At that point, it crosses U.S. Highway 169 and travels east along the north side of Highway 169 to the Blue Lake Generation site.

The presenters described the siting procedures and land use considerations addressed during the routing permit stage, including such requirements as using existing corridors, avoiding environmentally sensitive areas and limiting the impact on the public. Following the routing permit phase was a discussion on the easement acquisition phase. The pipeline is of significant interest from a legal, appraisal and real estate agent/broker standpoint, as it starts on the south end of land in rural, agricultural use that will not change for many years to come. It then runs through vacant land currently in agricultural use that has varying degrees of potential for future residential and commercial development. Some of the parcels are expected to be developed in 10 to 15 years, and some are planned for development within three to four years. Other parcels are already in the development phase. The pipeline also runs through currently developed commercial properties to the power plant.

Given the varying developmental status of the acquisition parcels, the acquisition team was faced with overcoming difficult situations and other obstacles. To keep the project on schedule and meet the in-service need, it became necessary to file condemnation on nearly half the parcels. Certain parcels were owned by or involved public

municipalities or agencies that had not completed negotiations by the condemnation filing date. Since many parcels fell into similar developmental groups, the presenters outlined how representative parcels were presented to the commissioners in order to obtain representative awards and settle the remaining parcels in an expeditious and equitable manner.

The Xcel Energy case study was followed by a 30-minute presentation on Ethics in Right of Way Acquisition presented by Robert J. Lindall, Esq. of Kennedy & Graven.

Arrowhead-Weston Project

The Arrowhead-Weston Project was presented by Pete Holtz of American Transmission Company (ATC), Ed Steigerwaldt with Steigerwaldt Land Services and Cary Weber, SR/WA, of Power Engineers. They explained that, in Wisconsin, demand for electricity is growing at a rate of about three percent annually. Power usage in homes, businesses, hospitals and emergency services is stressing the aging and insufficient electric infrastructure. As a result, the reliability of the transmission system is weakening. To meet the growing electricity demand, new transmission lines need to be built and existing lines upgraded.

The Arrowhead-Weston transmission project, which will run from Wausau, Wisconsin to Duluth, Minnesota, will significantly improve electric reliability in Wisconsin and the Upper Midwest. The project is needed to strengthen the power grid and help reduce the electric system's vulnerability to disturbances. It isn't the only line needed,



Sponsored by 11 companies from Chapter 20, a riverboat cruise gave attendees an opportunity to network while enjoying the scenic St. Croix River.

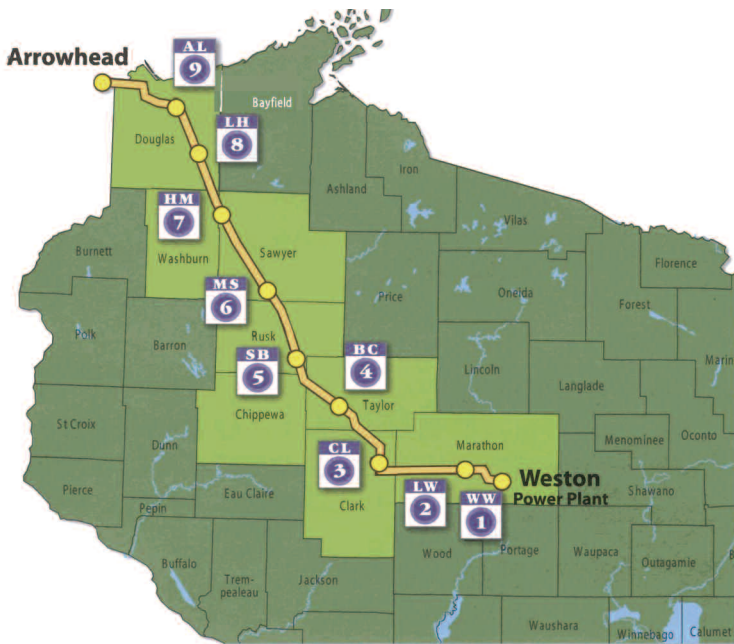


but it's a good start at ensuring reliability. Originally proposed to the Public Service Commission of Wisconsin in 1999, the Arrowhead-Weston Project is comprised of a 220-mile, 345 kV high voltage transmission line. Initially, every municipality and county along the route opposed the project, and public opinion was massively opposed. In addition, there were numerous legal, regulatory and public challenges.

The line will be constructed primarily along existing railroad, gas-pipeline and highway and transmission rights of way. The 220-mile line, which ATC will own, operate and maintain, includes 208 miles in Wisconsin and will cross the properties of approximately 800 landowners. The line in Wisconsin breaks down as follows:

- 96 miles (46%) will be along an existing transmission line corridor. The existing line will be rebuilt
- 59 miles (28%) will be constructed along existing railroad, gas-pipeline and highway rights of way
- 53 miles (26%) will be constructed along new right of way

ATC works with its customers, local communities and state and federal regulators to plan, build and maintain a transmission system that provides safe, reliable and affordable electricity. For more information, the project website is www.arrowhead-weston.com.



Construction for the Arrowhead-Weston project was completed in November 2007.

Supporting the Education Foundations

During the planning phase of the seminar, Gary Ostrom had recommended that a major portion of the proceeds be donated to the Education Foundations. On behalf of Great River Energy, this seminar and the North Star Chapter 20 Membership, contributions were made to both the Right of Way International Education Foundation (\$4,500) and the Canadian Right of Way Education Foundation (\$500).