

Docket No. 20000-520-EA-17
Witness: Roderick D. Fisher

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Supplemental Rebuttal Testimony of Roderick D. Fisher

January 2018

1 **Q. Are you the same Roderick D. Fisher who submitted rebuttal testimony in this**
2 **proceeding on behalf of PacifiCorp d/b/a Rocky Mountain Power (“Company”)?**

3 A. Yes.

4 **PURPOSE AND SUMMARY OF TESTIMONY**

5 **Q. What is the purpose of your supplemental rebuttal testimony in this proceeding?**

6 A. I support the Company’s request for conditional certificates of public convenience and
7 necessity (“CPCN”) and for nontraditional ratemaking treatment related to the
8 Company’s proposal to construct or procure new wind resources (“Wind Projects”) and
9 to construct the Aeolus-to-Bridger/Anticline line and 230 kV Network Upgrades
10 (“Transmission Projects”) (collectively, the “Combined Projects”). I respond to the
11 testimony submitted on December 18, 2017, by Southland Royalty Company LLC
12 (“Southland”) witness Mr. Jonathan Holmes, the Overland Trail Cattle Company
13 (“Overland”) witness Mr. Garry Miller, and Anadarko Petroleum Corporation
14 (“Anadarko”) witnesses Ms. Susan Aldridge and Messrs. Andrew Wurdack, Brent
15 Naherny, Lee Shannon, and Harrison Godwin.

16 **Q. Please summarize your testimony.**

17 A. The Company is committed to working with affected landowners and leaseholders to
18 negotiate reasonable, market-based compensation for the acquisition of rights-of-way
19 necessary for the construction and operation of the Transmission Projects and to take
20 reasonable steps to minimize the impact of the Transmission Projects on existing or
21 future land uses. The Company’s approach to negotiating fair market compensation
22 protects customers, and the Company’s estimated cost to acquire rights-of-way is
23 reasonable and consistent with historical experience and industry standards. After the

1 Commission issues a conditional CPCN, the Company will individually negotiate the
2 compensation payable to landowners and leaseholders or, as a last resort, determine
3 this amount in an eminent domain proceeding. After the Company obtains the
4 necessary rights-of-way, requests an unconditional CPCN, and seeks to include costs
5 in rates, the Commission will be able to review the reasonableness of the final costs to
6 acquire the rights-of-way.

7 Most of the issues raised by Southland, Anadarko, and Overland address their
8 private interests, not the public interest inquiry central to the CPCN process, and none
9 of their issues demonstrate that the Transmission Projects are not in the public interest.

10 The Company has followed all applicable and reasonable protocols for notifying
11 landowners about the Transmission Projects, and the Company's current efforts to
12 obtain the necessary rights-of-way tracks the schedule contemplated by the Wyoming
13 CPCN process. In addition, certain landowners participated in the permitting process
14 at the federal level and had knowledge of this project well before the Company filed its
15 CPCN application.

16 **COMPENSATION FOR LAND AND MINERAL RIGHTS**

17 **Q. Anadarko and Southland raise issues specific to the acquisition and potential**
18 **compensation of the rights-of-way over their property. (See, e.g., Aldridge Direct,**
19 **page 2, line 21 – page 3, line 7; Holmes Direct, page 4, lines 20–21.) Does the**
20 **Company have concerns about addressing individual landowner and leaseholder**
21 **compensation issues in this case?**

22 **A.** Yes. In addition to the concerns I expressed in my rebuttal testimony filed December
23 18, 2017, my understanding is that the level of compensation provided to individual

1 landowners and leaseholders is beyond the scope of a CPCN proceeding, and a
2 determination about the reasonableness of the final, overall cost to acquire the rights-
3 of-way is premature. The Company requests that the Commission grant a CPCN for
4 the construction of the Transmission Projects conditioned on the Company's
5 acquisition of the necessary rights-of-way for the construction of the entire project.
6 Thus, before the Company can begin construction and seek rate recovery, it must
7 resolve issues related to landowner and leaseholder compensation and return to the
8 Commission for additional review. Thus, it is premature to review the overall level of
9 compensation to obtain the necessary rights-of-way at this point in the proceeding.

10 Further, the acquisition of individual rights-of-way and easements, and the
11 appropriate compensation to individual landowners and leaseholders will be addressed
12 during negotiations with each affected party and, as a last resort if negotiations are
13 unsuccessful, through the use of eminent domain. The Company is concerned that
14 property owners may be inappropriately using the CPCN process to better position
15 themselves for the upcoming rights-of-way negotiations by asking the Commission to
16 make specific findings on the level of compensation paid to landowners, (*see* Holmes
17 Direct, page 9, lines 5–7), or to impose conditions on the nature of the compensation
18 paid to landowners. (*See* Aldridge Direct, page 3, lines 8–19.)

19 The Company will compensate affected property owners based on the fair
20 market value of the acquired rights. Inflating the compensation above the fair market
21 value, which is a very real risk if these issues are litigated here, instead of in the proper
22 forum, risks harming customers, who will ultimately pay for the rights-of-way acquired
23 for the Transmission Projects. The Company strives to develop and negotiate fair

1 rights-of-way agreements that minimize impact to and compensate landowners (to the
2 extent practicable) and protect its customers.

3 **Q. Anadarko claims the Company’s application “underestimates its acquisition
4 costs” associated with obtaining the necessary rights-of-way and easements for the
5 Transmission Projects. (Wurdack Direct, page 6, lines 14–15.) Do you agree with
6 this statement?**

7 A. No. The Company’s estimate is based on standard industry practice and is consistent
8 with the Company’s past experience developing other large transmission line projects,
9 and includes funds to address issues that may arise during negotiations. More
10 importantly, however, the framework for the Commission’s approval of a conditional
11 CPCN, contingent on the Company obtaining the necessary rights-of-way, addresses
12 Anadarko’s concern. Before the Commission grants an unconditional CPCN that will
13 allow construction to move forward, and before the Company seeks cost recovery, the
14 Company will have obtained the necessary rights-of-way and the costs will therefore
15 be known. The Company’s specific estimated acquisition costs are a highly sensitive
16 point in this or any CPCN proceeding. This information could be used by property
17 owners for their own financial gain, to the detriment of the Company’s customers and
18 the public interest.

19 **Q. Does the Company expect the Transmission Projects will have a significant impact
20 on mineral rights?**

21 A. No. The majority of the Aeolus-to-Bridger/Anticline transmission line is sited in a
22 corridor that tracks Interstate 80 and includes existing 230 kV transmission lines, buried
23 gas pipelines and fiber optic cables, and a Union Pacific railroad line. Thus, the

1 majority of the line will not have a significant impact on mineral rights. But, as noted
2 above, the Company’s estimated acquisition costs include contingency to address
3 issues like mineral rights valuation that may arise during negotiations.

4 **OBTAINING RIGHTS-OF-WAY AND EMINENT DOMAIN**

5 **Q. Anadarko claims that before receiving the Notice to Landowners in this case, the**
6 **Company “had not communicated with Anadarko in any meaningful sense**
7 **regarding the transmission line right-of-way or easement.” (Aldridge Direct, page**
8 **6, lines 8–12.) Is this a fair characterization of the Company’s communication with**
9 **Anadarko?**

10 A. No. As shown in Exhibit RMP___(RDF-1SR), since at least 2011, Anadarko has been
11 participating in the Bureau of Land Management’s (“BLM”) permitting process. As
12 part of that process, Anadarko attended several public meetings about the Energy
13 Gateway project (which includes the Aeolus-to-Bridger/Anticline line), and has
14 corresponded with Company representatives from 2011 through the present. Most
15 recently, on October 30, 2017, the Company corresponded with Anadarko about sage
16 grouse issues, which I will discuss in more detail later in my testimony.

17 **Q. Some of the landowners state they have not been contacted by the Company**
18 **regarding rights-of-way acquisition. (See, e.g., Holmes Direct, page 3, lines 12–14.)**
19 **Is it unusual for the Company to have only contacted a limited number of**
20 **landowners at this point in the CPCN process?**

21 A. No, it is not unusual for a project this large. The Company initiated the right-of-entry
22 process with all landowners in early 2009. The Company is contacting and will
23 continue to reach out to all landowners for negotiating rights-of-way, but the process

1 takes a significant amount of time. The Company has presented offer letters to
2 approximately half of the 47 landowners and expects to present offer letters to all other
3 landowners by early January 2018.

4 **Q. Both Overland and Southland are concerned that the Company will no longer**
5 **have incentive to avoid condemnation proceedings once the Commission issues a**
6 **CPCN. (Miller Direct, page 13, lines 2–4; Holmes Direct, page 4, lines 4–7.) How**
7 **do you respond to this concern?**

8 A. This concern is unfounded. The Company makes every effort to avoid eminent domain
9 proceedings and will only use them as a last resort. The Company is committed to
10 working in good faith with property owners to reach negotiated and fair agreements.

11 **ADVERSE IMPACT TO STATE OF WYOMING**

12 **Q. Anadarko claims the state of Wyoming and local governments will be adversely**
13 **impacted due to loss of mineral development. (Aldridge Direct, page 3, lines 2–4;**
14 **Wurdack Direct, page 12, lines 10–20.) How do you respond?**

15 A. Anadarko provides no evidence to support its broad claims about the loss of property
16 and sales tax and local jobs. The Company does not agree that the Transmission
17 Projects will cause a loss of mineral rights, which would materially impact the state of
18 Wyoming. The Company will work with all affected landowners, including Anadarko
19 and Southland, to minimize the Transmission Projects' impact on mineral development.
20 There are transmission lines in Wyoming that cross thousands of acres of land
21 encumbered by mineral interests which, to the best of my knowledge, are generally
22 compatible with those uses.

1 **Q. Anadarko also suggests the Combined Projects will “sterilize” mineral and oil and**
2 **gas development within the right-of-way and within a one-mile buffer. (Wurdack,**
3 **Direct page 5, lines 15–20.) Is this true?**

4 A. No. If the Company locates a transmission tower on the surface, Anadarko will not be
5 able to construct a well pad at that very same site or under the transmission line. The
6 Company, however, does not require a one-mile buffer for transmission lines and is not
7 aware of any technical standards or specifications requiring such a buffer. This project
8 will require a 250-foot right-of-way for operation of a 500 kV line and a 125-foot right-
9 of-way for operation of a 230 kV line. These are the required distances for safe
10 operation of the transmission lines and any adjacent facilities and operations. Because
11 the transmission project is a linear feature, it can be compatible with oil and gas
12 development, especially with advancements in horizontal drilling. Surface activity
13 would only be limited within the transmission line right-of-way and does not preclude
14 surface mining of adjacent lands outside of the right-of-way as long as access to the
15 towers is maintained. The Company is confident that it can work together with
16 Anadarko to minimize the impact to Anadarko’s operations to the greatest extent
17 practicable.

18 **GREATER SAGE-GROUSE ISSUES**

19 **Q. Anadarko claims the Transmission Projects may impact its ability to develop its**
20 **property to the fullest extent because of the impact to sage-grouse habitat.**
21 **(Aldridge Direct, page 4, lines 2–6.) How do you respond?**

22 A. Anadarko’s claim is unsupported. Generally, there is a five percent disturbance cap
23 within the sage-grouse core area (“core area”). Portions of the Aeolus-to-

1 Bridger/Anticline line right-of-way will be sited entirely within designated corridors
2 set forth in Wyoming Executive Order 2015-4 that do not affect the five percent
3 disturbance threshold. Anadarko's claim that additional construction and disturbance
4 that occurs outside the transmission line right-of-way will contribute to the five percent
5 disturbance threshold, thereby limiting Anadarko's ability to develop its land is
6 unfounded.

7 The existing disturbance within Anadarko's areas of concern already exceeds
8 the five percent threshold; so, Anadarko is subject to additional siting considerations or
9 compensatory mitigation even if the Aeolus-to-Bridger/Anticline line is not built. The
10 Company communicated this fact to Anadarko on October 30, 2017, along with
11 detailed analysis that included all calculations and assumptions to demonstrate the
12 existing disturbance within certain core areas. *See* Exhibit RMP___(RDF-2SR).
13 Anadarko's testimony never referenced or refuted this analysis.

14 **Q. Does the Company plan on having any disturbance from the Aeolus-to-**
15 **Bridger/Anticline line occur outside of the corridors designated in Wyoming**
16 **Executive Order 2015-4?**

17 A. Yes. In the Hanna Core Area, there are 41.34 acres of existing access roads to be
18 improved and 2.12 acres of new temporary access roads. In the Greater South Pass Core
19 Area, there are 15.44 acres of existing access roads to be improved and 0.28 acres of
20 new temporary access roads. The Company will be subject to the Density Disturbance
21 Calculation Tool ("DDCT") approval process.

1 **CATHODIC PROTECTION**

2 **Q. Both Anadarko and Southland state concerns with the impacts of high voltage**
3 **transmission lines on pipelines and other facilities. (Holmes Direct, page 5, lines**
4 **4–14; Naherny Direct, page 2, lines 4–5.) Does the Company account for these**
5 **impacts when constructing transmission lines?**

6 A. Yes. The Company is fully aware of the potential impacts of high voltage transmission
7 lines on pipelines and similar metallic facilities, particularly where the transmission
8 line is parallel to pipeline facilities in similar rights-of-way. As part of the on-going
9 final engineering design process, the Company will engage all entities including
10 Anadarko and Southland that own pipelines, well bores, and other metal facilities to
11 analyze and study the potential impacts as soon as possible to begin the engineering
12 study and develop a mitigation strategy. The engineering study will include alternating
13 current (“AC”) interference and corrosion potential to determine the impacts to metallic
14 facilities. Working with affected landowners and other entities, site and condition-
15 specific mitigation will be designed and installed where necessary. Mitigation may
16 include facility grounding, line micro-siting adjustments, operator protection, corrosion
17 protection and/or other appropriate solutions.

18 **Q. When does the Company expect to engage the affected parties for the engineering**
19 **study mentioned above?**

20 A. The Company is ready to engage with affected parties now as it begins the final
21 engineering process during 2018. In fact, the Company recently had preliminary
22 discussions with two pipeline companies, Colorado Interstate Gas Company, L.L.C.
23 and Wyoming Interstate Company, L.L.C. to initiate engineering studies in 2018.

1 **Q. Has the Company used this type of approach to mitigate corrosion potential for**
2 **other large transmission projects?**

3 A. Yes. The Company's Mona-to-Oquirrh 500 kV\345 kV transmission project in Utah is
4 near three pipelines and parallel in some locations, which required coordination,
5 studies, and installation of AC mitigation. This coordination typically begins during the
6 final engineering phase and continues through construction and post construction.

7 **OPERATIONAL ISSUES**

8 **Q. Anadarko claims the Company's Transmission Projects could directly impact**
9 **existing and potential operations located near the proposed rights-of-way.**
10 **(Godwin Direct, page 2–3.) How do you respond?**

11 A. The Company has significant experience in siting and routing transmission lines
12 through operating oil and gas fields when siting transmission projects. The Company
13 has historically accommodated directional drilling under wind turbine structures as an
14 example of compatibility between energy resource types. For example, the Company's
15 existing Glenrock Rolling Hills wind farm has existing oil and gas wells and access
16 roads located within and adjacent to the project boundaries, as well as a bentonite
17 surface mine. Coordinating with affected landowners can provide for multiple
18 compatible, different land uses with appropriate planning.

19 **Q. Overland suggests the Commission should condition the CPCN on the Company's**
20 **ongoing coordination with Overland regarding the development of Overland's**
21 **Choke Cherry Sierra Madre and Transwest Express projects. (Miller Direct, page**
22 **13, lines 6–14.) Why is this unnecessary?**

23 A. The Company has been coordinating with Overland for many years on these projects

1 and will continue to do so in the future. Overland should not be given special treatment
2 as a condition of the CPCN; it should be treated like all other affected property owners.
3 Again, the Company will proactively work with all property owners to obtain rights-
4 of-way and mitigate the effect of the Transmission Projects as much as possible.

5 **Q. Does this conclude your supplemental rebuttal testimony?**

6 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE)	
APPLICATION OF ROCKY MOUNTAIN)	
POWER FOR CERTIFICATES OF)	DOCKET NO. 20000-520-EA-17
PUBLIC CONVENIENCE AND)	(RECORD NO. 14781)
NECESSITY AND NONTRADITIONAL)	
RATEMAKING FOR WIND AND)	
TRANSMISSION FACILITIES)	

AFFIDAVIT, OATH AND VERIFICATION

Roderick D. Fisher (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

Affiant is the *Principal Project Manager* for PacifiCorp, which is a party in this matter.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its associated attachments are true and complete and constitute the recommendations of the Affiant in his official capacity as *Principal Project Manager*.

Further Affiant Sayeth Not.

Dated this 8TH day of JANUARY, 2018



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