

**R-Project Community Conversation Meetings
November 14-17, 2016
Chambers, Burwell, Brewster, Thedford, Stapleton and North Platte**

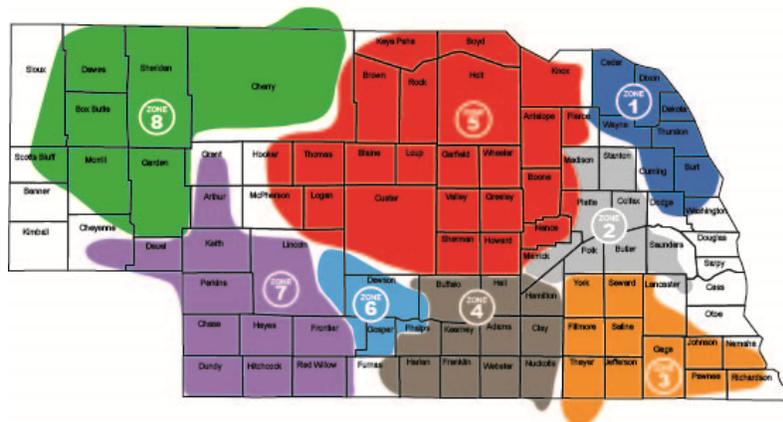
Landowner Comments

Note: This is a summary of the discussion and not a transcript. This information does not include issues unique to individual landowner properties as NPPD is working directly with landowners on these issues. If the same question was asked multiple times, the question and response is only listed once.

Each meeting was opened with comments by Nebraska Public Power District (NPPD) Executives: Anytime NPPD builds a line it's not exactly the economic development that people want to see. We want to work with folks and build a long term relationship. We believe there are some ideas about the project that are not correct. We are here to explain why the transmission line is being built and who will benefit from this project. We hope to lay to rest some false information. We want to talk about the issues and answer your questions. Feel free to give us assignments to look at issues or problems.

When the District joined the Southwest Power Pool (SPP), we knew we had a problem in western Nebraska. We had to have special operating procedures because of problems in the area. We've been looking for a solution to those problems for a lot of years. If you fast forward to 2012, we had more situations develop in Zone 5. A tremendous amount of irrigation came on that we couldn't serve. We had to curtail the load. It was dry and landowners needed to irrigate. We didn't have enough capacity to do that. We had to use generators in recent years. Three issues: bottleneck east of GGS, load serving problem (Zone 5), and ice storms (2006-07).

TERM Program Zones



The R-Project is not being built for wind generation. The need for the project is to: Enhance Reliability, Relieve Congestion, and provide opportunities for Renewables. If a wind farm was never ever connected to this line, we'd still need to build it. We have enough wind. Wind has

never been the driving factor for NPPD. Our Board approved 10% renewables by 2020, we have already met that goal.

Project update: We are in the middle of easement acquisition. We currently have about 27% of the easements acquired (approximately 66 miles). We are working closely with landowners. There are some opportunities to make minor adjustment and we are doing that where it makes sense. We are also applying for an Incidental Take Permit (ITP) for American Burying Beetles (ABB) which also includes a Habitat Conservation Plan (HCP) as part of the application. U.S. Fish & Wildlife Service will create an Environmental Impact Statement (EIS) which will be published for the public to comment on. It is expected the EIS will be released in January 2017*. A Record of Decision (ROD) is expected in September 2017. We anticipate starting construction in October 2017. Construction is estimated to take approximately 21-24 months. We anticipate the line will be in-service in October 2019. We will issue a construction contract sometime next in the spring so we can get the contractor lined up in the summer so they are ready by next fall.

We plan to have a person dedicated to right-of-way restoration. We are still discussing whether this will be an internal employee or contractor. This resource will monitor the restoration and will have a relationship with every landowner.

**Since the November 2016 Community Conversation meetings, U.S. Fish and Wildlife Service announced the EIS will be released in February 2017 for public comment.*

Below are comments and questions made by landowners categorized by specific topics:

Nebraska Public Power District

Landowner: How are you a part of the state of Nebraska?

NPPD: We are governed by a publicly elected Board. We are mandated to provide electricity at cost.

Landowner: Is there anyone you have to answer to at the state?

NPPD: For power supply projects we have to receive approval from the Power Review Board. NPPD Board of Directors approve the rate-setting.

Landowner: You don't have a boss?

NPPD: I report to NPPD's Board of Directors.

Landowner: Who pays for the R-Project?

NPPD: NPPD will pay for the project. We will pay for the construction and easements. We borrow the money. NPPD will pay for their share (7%) and SPP covers the remaining portion.

Landowner: What does the public in “public power” mean?

NPPD: Owned by the citizens it serves. Sometimes the public is divided. And sometimes the leaders of NPPD have to make a decision that will please some constituents and others will be unhappy.

Landowner: Where’s all the wind power up at Broken Bow going?

NPPD: We take that electricity and put it in the bucket with all the other generation.

Landowner: What are you going to do when they say Gerald Gentleman Station (GGS) can’t use coal anymore?

NPPD: We are watching the Environmental Protection Agency (EPA) rules and regulations very intensely. We are watching what President-elect Trump plans to do. Wind and solar will never happen unless somebody develops a super-efficient and cheap storage system. We have a plant that is a low-cost plant that has about 30-40 years of life left. When it comes time to replace it, we will see what technology is out there.

Landowner: I am interested in the comment about how public power can offer the lowest rates, but you have wholesale customers leaving. How do you keep from becoming a monopoly?

NPPD: Omaha Public Power District (OPPD) primarily serves at retail. The way the statutes are written, OPPD is a monopoly. With NPPD, over 2/3 of our revenue comes from contracts with our wholesale customers. Those customers can go elsewhere. We benchmark ourselves every year against 800 utilities. We needed long-term contracts so we can go to the bond market and finance. This was the first time we included in the contract the option of the wholesale customers to leave if we do not meet our rate promise.

Landowner: Why did NPPD buy all the small village generators?

NPPD: We actually lease them. NPPD wanted to try to increase its sales. A lot of villages had debt on their generators. We came up with the program that we will lease that capacity from them. The villages will run the generators, we will pay for the fuel. The communities still own the plants but we lease them to use in an emergency situation.

Landowner: Where does GGS rank in pollution?

NPPD: Right now we have all the required pollution control on it.

Landowner: No, I asked where does the plant rank? Where does it rank in the 100 power plants in pollution?

NPPD: We meet all the regulatory requirements of the EPA.

Landowner: How many plants are there in America? Where does it rank?

NPPD: I am willing to find out and get that information to you.

After the meeting, NPPD further researched the answer to the above question: NPPD complies with all environmental regulations including air emission regulations at our power plants. The table below provides Gerald Gentleman Station’s 2015 ranking for SO₂, NO_x, and CO₂ compared to other industrial units reporting these emissions tracked by the U.S. Environmental Protection Agency (EPA). It is important to understand that the EPA database includes emissions from other regulated industries, including but not limited to, cement manufacturing, iron and steel, petroleum refining, and pulp and paper manufacturing. Approximately 80% of the facilities tracked by the EPA are electric generating facilities. Due to different reporting requirements not every facility is required to report SO₂, NO_x and/or CO₂ emissions.

Generation (MWh)	SO₂		NO_x		CO₂	
	Short tons	Ranking⁽¹⁾	Short tons	Ranking⁽¹⁾	Short tons	Ranking⁽¹⁾
9,330,898	25,013.6	13 out of 1,312	7,792.5	43 out of 1,442	9,135,668	51 out of 1,259

(1) Ranking is from highest to lowest emissions.

Landowner: Does NPPD design its system to be able to provide reliable service in the event of storms?

NPPD: The answer is yes, 99% of the time. If you look at what happened in 2006, that falls in the category of the 100 year flood. It caused us immediate work to get the power back up. We’ve had many storms, blizzards and ice storms. Yes, we had significant damage that caused us to bring in generators to get immediate work done. We’ve had many storms over my 37 year tenure. That was the only period in my history that was that extensive. The financial piece is we are eligible for state and federal funding to help reimburse us to rebuild those facilities. We typically get reimbursed for about 80% of those costs.

Landowner: Nothing I say is personal because sometimes the response is personal. The reason we lost northeast is because we didn’t have the right switching service set up. How come it went down? How do you fix it? It’s not a personal issue with you, it’s business. But I would like to focus in on North Central Nebraska because there was an analogy. Why was there a problem in 2012 with delivering power in North Central Nebraska?

NPPD: How do we go about figuring out what to build? We have a team of engineers who spend all of their time running scenarios. We have to meet the objectives at the lowest cost.

Landowner: Are you saying a significant reason for building this line is irrigation in Loup County?

NPPD: Yes. One of the primary reasons is to strengthen the transmission system in North Central Nebraska. Another primary reason has to do with congestion and allowing us to use our generation systems more effectively. Adding this transmission line strengthens the system and allows us to continue to operate the system reliably.

Landowner: Is one of the reasons to support wind generation in the Sandhills?

NPPD: If there is never a wind farm connected to this line, we would still need to build the line. Whether or not a wind farm ever does get hooked up to it is not in our control. NPPD Board of Directors set a renewable goal of 10% renewable by 2020. We are there. All of the wind development is being driven by production tax credits.

Landowner: There are no wind projects underway for NPPD?

NPPD: There is a 400 MW project in northeast Nebraska that OPPD wants to have built. OPPD shut down Fort Calhoun and a couple small coal fired plants. Another project is in the Blue Hill area by Next Era, who is knocking on our door asking us if we want to buy their product. We will send them a letter indicating we will buy their product but only at our avoided costs. Public Utility Regulatory Policies Act (PURPA) says we want to promote renewables so if someone comes to you with a qualified project, you have to buy it whether you need it or not, but you only have to buy it at avoided cost.

Landowner: If a company comes in and puts in a wind farm, do you have to tie in more lines?

NPPD: The wind developer goes to SPP and if it's all approved and ready to go, they will give us the right of first refusal to build the line. That has been a bit of a bone of contention with SPP because you now have investor owned companies (who get a profit for building the line.). We build the line for cost. That's what public power is all about. So yes, we would build the line. If it was by Omaha, OPPD would build it.

Landowner: Your balance sheet looks great. Over time, you've never had a revenue issue?

NPPD: Yes we have. I have heard tales of when we had a hard time meeting payroll. We are not building this line for wind. Not a big fan of wind because I don't believe it's a good long-term solution to decarbonizing the country. We have to have generation 24/7 that you can control.

Landowner: What is the estimated continued life of GGS?

NPPD: About 30 or 40 years.

Landowner: How old is it now?

NPPD: Over 30 years. First unit came on in 1979 and the second unit in the early 1980's.

NPPD: Let's talk competition. We just signed 20 year wholesale power contracts with our customers. We need that commitment from them because our bondholders want to see a guaranteed cash flow to pay them back. For the first time we guaranteed our financial performance in our contracts. If we exceed our limit they can leave us. We have an incentive to keep the costs low. The customers wanted to make sure that if they were going to give us their longevity, we were going to keep our eye on the cost. I have an incentive to deliver power and energy to our wholesale customers at the lowest possible cost.

Need and Benefit:

Landowner: Where does the energy go?

NPPD: We cannot track down where the electrons go.

Landowner: Will the line benefit this area?

NPPD: Yes and it will benefit the entire grid. Transmission lines are not easy to build and they cost a lot of money. If it didn't have to be built, if there was another way to ensure reliability, I'd be all over it.

Landowner: If there was a local benefit it wouldn't be contested.

NPPD: This is part of an integrated system.

Landowner: The line will not serve an electric well...not quite fair

NPPD: This is part of an integrated network. This is to help a reliability issue.

Landowner: So if this line isn't built I'm going to lose my electricity?

NPPD: No, but the line will benefit this area.

Landowner: One of the reasons you are building this line is to make you money.

NPPD: We are public power. Just a few years ago we did not have the ability to deliver all the power that Elkhorn needed for irrigation, we had to curtail. In 2013-2014- 2015 we rented generators in case we had a repeat of 2012. When we get the line built we will not have to rent generators.

Landowner: Prior to 2012, when was the last time a problem like that happened?

NPPD: Probably in the 70's when lots of irrigation was going in.

Landowner: Will the line be used for other services?

NPPD: Yes, it will transmit across the state.

Landowner: Why did you meet with Cherry County Wind?

NPPD: We met with them, we had to make it clear to them this project was not being built for them, but there would be an interconnection if required.

Landowner: Don't deny that there is a connection to wind. Wind follows transmission.

NPPD: We turned control of our vision of service over to SPP.

Landowner: What do you consider the life of the project?

NPPD: More than 50 years.

Landowner: We don't think the ice storm issue is a real issue. It can happen anywhere. How many ice storms have you had to deal with?

NPPD: In 1993 we had a tremendous wind storm – took down a 345kV line in Aurora. All wood poles. The only time I have seen a massive steel pole affected was an ice storm in the Kearney area several years ago.

Landowner: Why is this line important?

NPPD: Zone 5 is an area surrounded by a big 115kV loop. In order to better serve this area we needed to create stronger interconnections. One way was the Hoskins-Neligh 345kV line. The other way is through the R-Project. These lines make this a more robust transmission system. We have to be able to operate the system reliably.

We are a lumpy industry. We did a lot of expansion in the 70s. We didn't do much building these past 30 years. Now we have to go through a growth spurt again.

Landowner: If wind isn't a major factor, why is Thedford so important?

NPPD: During the summer of 2012, NPPD experienced severe hot and dry weather conditions across the entire system which resulted in extreme system peak load levels. NPPD set all-time record summer peak load levels which were nearly 400 MW greater than 2011. North Central Nebraska area (Zone 5) experienced unprecedented loads due to irrigation demand. There were load delivery issues in Zone 5 due to limited transmission capacity. Thedford is needed to address thermal overloads and voltage violations during contingency events in Zone 5

Landowner: We are not stupid, we know this line is being built for Cherry Wind.

NPPD: The line is not being built specifically for a wind project.

Landowner: How much of the energy will be used in Zone 5?

NPPD: All of our generation gets dumped in the “pool”. Our peak load has been round 3,000 megawatts and we have a little bit more of capacity. The majority of electricity that is generated is used in Nebraska. We do import. Nobody is getting incentives to build this line. We are building this line to serve Nebraskans. If we don’t build a line there will be a time that we cannot serve Nebraskans. 100% is being built to serve the congestion problem in Nebraska. Every specific reason is for Nebraska.

Landowner: So you are telling me that we wouldn’t have lights if this line is not being built? We are not arguing the need for the project, but are arguing the route.

Landowner: You are to be commended for being here but you are two years too late and many dollars short. We had to listen to out of state people tell us how to heal our land. No place was there room for negotiation. Why can’t the line be moved? The heavy equipment that needs to be taken out, the roads, etc. Perhaps someone down south thinks we are a dumb bunch of farmers and ranchers because all we ever get is that it doesn’t meet the need of the project.

NPPD: Thedford was the best place for the interconnection. It is a Zone 5 issue. When the Planners looked at the transmission system, Thedford was the best place on the west side.

Landowner: So you knew at the beginning that it had to be at Thedford?

NPPD: The first discussion we had with landowners was our study area. We knew the line had to go somewhere within the study area. We talked with landowners about the process and started listening and asking questions. We took that feedback and started looking at the corridors and then we went back out and asked more questions. We took that information and started looking at possible route combinations. At that point we also eliminated the north/south section on the west side because of terrain, etc. Then the summer of 2012 happened, that is when Zone 5 had an issue. Since that time they did a high priority incremental load study. It was determined in order to serve the loads you need to have a connection at Thedford. That is when we knew we had to be there. So then we did our same process and that is where we got to our final route nearly 2 years ago.

Landowner: Populations and businesses have left the Sandhills. I have a hard time believing there is a need for more electricity in the Sandhills.

Landowner: You had said for 2 years you’ve been in the planning stages, these people have been here for 4, 5, 6 generations. There are lots of people that have left this area. The Sandhills and businesses have dropped for 20 years. We are not here to tell you that you don’t need the line but just not here in the Sandhills. You can buy all the ranchers up there a generator and save a lot of money.

Landowner: Why do you call it an expansion substation?

NPPD: We are going to make an existing substation bigger.

Landowner: Why can't you take the Stapleton route?

NPPD: First big issue is that we need to come to Thedford. We need to have an interconnection because it works best from a reliability standpoint. Stapleton does not work for that reason. There would still be environmental issues. There would be a different group of people who we would be talking to. Big reason we are not in Stapleton is because of the needs of the project to connect at Thedford.

Landowner: Can't you run a line from South Dakota hydro down to Zone 5?

NPPD: We aren't looking to build big projects. Just because you tie into a transmission system, doesn't mean you get a strong source. You have to run every scenario to fix the problem. We are not guaranteed a return on our investment – we only build a project if it's necessary.

Landowner: Why don't you parallel that line down south, other than you are worried about ice storms?

NPPD: Utilities don't like to double circuit power lines. If we have a tornado or an ice storm, instead of taking out just one path, it takes out two.

Landowner: Is it true that Nebraska produces more electricity than we can use?

NPPD: While we are long on energy, I wouldn't say we are overly long. Monolith ... when they come on line we are going to be pretty close to break even, in terms of capacity. We put our energy in the market. The market sets the price. If the market says to fully generate we will do that to help keep the rates low. We do not speculatively build generation to sell in the market. The generation we have is built to serve our customers. Ensuring this happens is a role of the Power Review Board.

Landowner: If this line doesn't go through, how much of our needs are met currently and for how long?

NPPD: A line has to go through. We talked about the Hoskins-Neligh 345kV line that was recently built and that has helped some, but if I had my control room manager here he would say he is nervous certain times of the year and we could be back to the same situation as in 2012. Would the lights go out? Probably not. The Hoskins-Neligh 345kV line didn't fix the whole problem and without this line we would not meet the obligation of our customers as you need to reinforce that area from both directions.

NPPD: We have wholesale customers that are still getting requests from irrigators to convert. I agree there has been a slowdown, but when farmers get the opportunity to convert to electric, they are going to do it. It is cheaper and more convenient.

Landowner: You are building this for load for that once in a great time?

NPPD: No, what has happened is that the load has proven itself, it is there. And load continues to grow. Every day, every generator in the SPP bids into the market. We are required to carry a 12% reserve margin by the Feds. We are probably 300-400 MW long. But during peak times, we are pretty much even. So, yes we sell electricity in the market.

Landowner: Is the line being built to tie in a line from Scottsbluff? Wind farm in Valentine? You are going to make money on our loss.

NPPD: No need to build to Scottsbluff. It was studied and is out of the picture. If the Cherry County Wind Farm was never built, we'd still build this line.

Landowner: Given the Sandhills are so fragile, why so imperative to take this line through the heart of the Sandhills? Scenic byways and through wet meadows. Why is it so important to go through the Sandhills? High, choppy soft hills. It looks like you picked a poor option. U.S. Fish & Wildlife Service said they really don't care for the route.

NPPD: We have a certain location where we need to be. We need to support energy delivery to the Zone 5 ring and the best place to do that is at Thedford.

Landowner: You already acquired more land for the Thedford Substation so obviously it isn't able to meet the needs as it is today.

NPPD: We will expand the Thedford Substation.

Landowner: In totality, the benefit to Nebraska is going to be 7 percent?

NPPD: Actually the benefit to Nebraska will be our ability to continue to meet load growth. You don't build facilities to cover just what you have today. You have to consider load growth. Zone 5 was out of capacity. We were not very popular with the wholesale customers in Zone 5 area when we couldn't deliver power to them to get to their customers.

Landowner: In totality, this whole project the benefit is 7%?

NPPD: No, we are paying 7% of the cost of the R-Project. Even if we never joined SPP, the project still needs to be built. The difference would be how much we are paying. But we wouldn't be paying 7% of all the other lines. It is better for our customers for us to be part of a large regional pool, like SPP.

The 7% is based on our load ratio share of the SPP pool. The cost is shared by everyone that is a member and we represent 7% of the load.

Landowner: Ill-conceived plan. Hard time believing the technology doesn't exist to move the line south and the Thedford Substation south to accomplish all your goals.

NPPD: The SPP notice to construct specifies the Thedford Substation

Landowner: Why cross country at the substation east of Thedford?

NPPD: You have got to get from there to the east and you are going to be cross country no matter what you do. There are wetlands, there are soft soils. That's why we are looking at construction techniques that minimize the damage.

Landowner: I received a letter from a solar company with no return address on it.

NPPD: We are seeing this whole industry being pushed by the federal tax credits. Without federal tax subsidies wind or solar cannot stand on their own. You will see a lot of those projects. We have a solar project in Scottsbluff and Kearney which is driven by community leaders.

Routing/Environmental:

Landowner: Is the route the same as it always has been?

NPPD: Yes, the route is the same as what we announced as the final route in January 2015.

Landowner: My husband wanted the line to be built on the section line. We don't want to be pushed and trespassed upon. We have worked very hard and spent millions. You knew before your first meeting where the line was going.

NPPD: We started with a large study area. This was narrowed down to corridors, then to possible line routes and then a final line route. We can still do tweaks, such as moving around a shelterbelt.

Landowner: Any guidelines as to how close it can be to the fence? How far is the right-of-way from the road?

NPPD: Just off of road right-of-way, 35 feet from centerline, just two feet onto private property.

Landowner: Is there a transmission line that goes along Hwy 20?

NPPD: A 115kV line goes along the north side. There are some 69kV lines that go along the highway.

Landowner: Why would you pick right where someone lives? This line cuts our ranch in half. We work our cattle every day.

Landowners: Did you even study the route presented by U.S. Fish & Wildlife Service?

NPPD: U.S. Fish & Wildlife Service did not go through a public involvement process for their route, they basically came up with their route within weeks. We had an extensive two year public involvement process. Yes, we did look at their route and 1) it does not go to Thedford, and 2) it goes by more homes.

Landowner: How close do you have to follow the section lines? These stakes are basically on the section lines.

NPPD: We can voluntarily agree to the line being anywhere that makes sense to you and us. But if we go to condemnation, we basically have to follow section and half-section lines.

Landowner: You have markers in places where I wouldn't dig a post hole.

NPPD: We do, we know that. The best way to get that done is to work together with the landowners to determine the best place for structures. There is a feeling that NPPD won't make any changes. We will make slight changes. No we won't move the line 40 miles south like some landowners would like, but we can make minor adjustments. ... 100 feet this way or that way. We will look at that. We call that opening up Pandora's box – the team may be afraid to do that because how do we deal with that – if you look at a spectrum – on one end never open a box and on the other end making major changes. We can find a location in the middle. The alternative routes suggested by the U.S. Fish & Wildlife Service were done within weeks whereas we spent over two years in our process. They never obtained any public input. I believe this has given everyone the false impression that they have routing authority.

We are focused on easement and environmental work. Thus far we've had 27% of the easements signed which equates to 66 miles. We just finished survey work and so we are finishing up the easement packages so you can see the entire set of impacts on your property. Environmentally, we are getting an ITP. ABB is a federally listed endangered species. The HCP will explain how we will manage the project - construct – maintain – this is in the U.S. Fish & Wildlife Service hands. They are working on their analysis of that. This is their process. The draft EIS will be published in January* for public comment and then go thru a period to address the comments. We will be involved in that process to answer any questions. Once we receive the Record of Decision, which we expect to be next September, which grants the permit so we can begin construction. We anticipate construction to begin in October 2017 and in-service in October 2019.

****Since the November 2016 Community Conversation meetings, U.S. Fish and Wildlife Service announced the EIS will be released in February 2017 for public comment.***

Landowner: Why have we been told one thing and then NPPD does the opposite?

NPPD: There has been an impression by U.S. Fish & Wildlife Service that they can stop or move the line. We don't believe that will happen. Typically what happens there are conditions

placed on the applicant, which is NPPD, to protect those assets through the life of the line, such as ABB. For example, doing construction during a time when the ABB are dormant. During construction, NPPD will continue to look at ways to minimize impact to any assets that need to be protected.

Landowner: What affect does the beetle have to do with pursuing this power line?

NPPD: We have to put together a plan on how we will construct and maintain the line to minimize impacts on beetles. For example...work during dormant season, if you mow an area they tend to move away – these are just different types of techniques to use. This gives us the ability to minimize harm or impact or take – it's a mitigation plan to protect the endangered beetles. There are a lot more beetles than what they thought. We have a plan that is being reviewed by the U.S. Fish & Wildlife Service. At the Ainsworth wind farm, we baited them away by using dead chickens. They will come back though.

Landowner: What does the beetle do?

NPPD: They take care of dead things. They bury them and feed on them.

Landowner: How are you covering up the holes being made for the ABB studies? On one property they left a hole open. We have pictures.

NPPD: That's not acceptable, we are following up on that.

Landowner: What about the migratory birds? What are you going to do, drop the line for three days?

NPPD: Our entire system is in the central flyway. We will mark lines. We are trying to minimize the impact on those types of things.

Landowner: When you were deciding the line route, did you take into consideration the difference in terrain? How can you think right here is going to hold vs. someplace where there is harder ground? I think you are putting your faith in the wrong people, listening to people about where you want this line and totally disregarding what the people who have lived here their whole life. Is it common for NPPD to build lines where there is no access?

NPPD: This is not common for us, this is going to be difficult with a lack of access. We were asked to look at existing corridors north or south. The longer the line is the more impact it has environmentally and the more landowners you affect. So naturally you want the shortest route with the least impact.

Landowner: I was born and raised north of Stapleton. I have seen firsthand what happens when you disturb the land. Soon there are ugly scars on the landscape cutting deep into the hills. This could make the difference whether a farmer or rancher can stay in business for another year. It's not about money but the preservation of our land. It seems the U.S. Fish and Wildlife Service is

more concerned about wildlife than the ranchers who put food on their table. Three years ago a flood wiped out a bridge in a county in eastern Nebraska. The bridge still hasn't been replaced because it interferes with the nesting of a bird species. Common sense will tell you a bird will move and adapt. The farmer does not move over leaving their father's or grandfather's land and hope for their children. For me it's about voices being heard. You are from an urban area and never had another job and this is what we do. We all want to be partners but I am here to say that if this line proceeds to go through our Sandhills we may not be able to be here anymore.

NPPD: The fact that the Sandhills are a fragile ecosystem has not fallen on deaf ears. We have facilities that are in the Sandhills and they do present special challenges. When we went through the evaluation process determining where this line should go, it was an exhausting process. Not only took 2 years but it was a balancing act. We are not interested in putting a line somewhere where it isn't sustainable. Once built, there is restoration and that is a long-term process.

Landowner: Why did you jog around an air strip when he doesn't fly anymore?

NPPD: Since this is a private air strip, it does not have to be registered with the FAA. The current location was chosen for safety as well as impact to the business. NPPD also looked at options to relocate the airstrip but it was not cost effective.

Landowner: Could you bury the line?

NPPD: At the distribution level, such as Custer PPD, they will bury a lot of primary distribution which is very common. You can bury a 69kV. When you get into 345kV level, it involves pipes and oil and is horrendously expensive.

Landowner: If you were to bury it, what would that do to the land compared to overhead?

NPPD: You use a contractor that plows it in. You couldn't do that with 345kV. You'd have to open a big trench. That would be a horrendous restoration issue.

Landowner: Why won't underground work?

NPPD: We don't have experience with underground at that voltage level.

Landowner: Technology is there.

NPPD: The technology exists and is used a lot at the lower voltages – 7200 volts primarily or 3 phase. You step up to 34kV or 69kV it's still available but more expensive. You get to 115kV, 230kV & 345kV and then you are talking about pipes filled with oil and that is cost factor.

Landowner: If all these things on the table go away with underground, what happens to the budget? You will probably write it off in 20-40 years. Aren't you only in for 7% of it because of the SPP?

NPPD: Even if it was technically possible and I know you would argue that it is, SPP would not allow it. The others in SPP are not going to want to pay for it. You have another option in overhead. The cost will be such a huge differential between underground and overhead.

Landowner: I'm disappointed in the comment that you didn't even look at the cost (of burying the line).

NPPD: I can't quote to you what the cost is but I will talk to EPRI and get you the number.

Landowner: This whole power issue can go away if you bury it. Problem is it costs a lot of money to bury 18 miles. We are giving up a lot more than what you are if you bury it. You are going to make money, you are going to spend money to make money. I know I could sell you putting it underground. You are fighting for the above ground cheaper costs. It isn't going away. You haven't been on my land. If you did, you snuck up when you shouldn't have. Why not do it the right way. Why try to string cable. I know the answer, it's money. You didn't even ask the people. You just came up with the answer. You didn't ask because you are afraid of the answer.

After the meetings, NPPD researched the question further and below is the findings: NPPD did consider costs, but also many other aspects as well. The undergrounding of electric facilities at lower, distribution voltages is fairly common. However, an underground installation of high voltage and extra high voltage systems, such as the R-Project, has significantly different technical requirements as compared to the lower voltage systems. While there have been successful installations of high voltage and extra high voltage underground systems (138kV-500kV) in the United States, these installations have predominantly been located in metropolitan areas where overhead lines were not feasible due to space and clearance limitations and the length of the line is relatively short.

The following information provides advantages and disadvantages to 345kV underground installations:

Advantages:

- ***Bird Strikes*** - *The portion of the line that is underground would not be susceptible to bird strikes*
- ***Severe Weather*** - *The portion of the line that is underground would not be susceptible to severe weather events (tornado, ice storms, etc.)*
- ***Visual Impact*** - *The portion of the line that is underground would not have the visual impact of the overhead line, but would require a strip of land to be cleared and kept clear of trees and other vegetation at a minimum width of 75 feet.*

Disadvantages:

- ***Added Cost*** – *Based on current estimates, the 18 mile portion of overhead line in question is expected to cost \$18-20 million. The equivalent 18 mile segment, placed underground, would be expected to cost in the range of \$375-450 million.*
- ***Ground Disturbance*** - *One of the single biggest concerns raised by landowners was*

ground disturbance. Whether installed by the open trench method or as a concrete encased duct bank, NPPD expects that the ground disturbance for an underground installation would be increased by approximately 100 – 150 acres as compared to the disturbance expected by the overhead installation.

- **Maintenance** – Lower voltage underground systems have proven to be very reliable. Conversely, there has not been a sufficient amount of higher voltage cable installed to establish a reliability record, with failures occurring on some of these systems. In the case of a 345kV line like the R-Project, locating and repairing an underground fault could take from two weeks to six months depending on the type of fault. Although overhead faults are expected to be more frequent, locating and repairing an overhead fault can typically be accomplished in as little as one to two days, depending on the extent of damage.
- **Electric and Magnetic Fields** – Electric and magnetic field strengths are proportional to the distance the general public is from the line. In the case of an underground system the lines are much closer to the ground (and the public), than overhead lines. Therefore, due to the public being closer to the underground line, they will experience higher magnetic fields as compared to having an overhead line.

From the outset, NPPD has pledged to construct the R-Project in an environmentally responsible manner while being financially accountable to NPPD's customers and the SPP. Based on all of the factors evaluated, NPPD has determined that the additional ground disturbance, the lack of maintenance and reliability information, and the added costs would not be in line with our pledge to be environmentally and financially accountable.

Landowner: We got homesteaders here. You weren't a homesteader 37 years ago and neither was I. You have people who put millions of dollars in farming and ranching. You haven't. You are not listening. I know the answer for my issue on this whole power project is that I want to run pivots and you show up to put something in the way. We've got to figure out how we are going to run pivots without you getting in the way. We don't need electricity to run in pivots.

NPPD: We can place structures where they will not hinder the operation of your pivot.

Landowner: What's the main reason you didn't go north of Sutherland and across?

NPPD: When we got to the corridor phase, there were challenges due to terrain. That got eliminated based on what we learned during the corridor phase. Access was a big factor on why we stayed on Hwy 83.

Landowner: Why not consider an alternate route? Go down Interstate 80 and then cut across. Put part of it underground. Build small gas-fired plants to take care of the bottleneck in the Norfolk area. You'd be better off and it would be cheaper to build 4 small plants than build this line. We get ice storms here. Don't disrupt the Sandhills.

NPPD: We have a small army that does nothing but look at this kind of stuff. Many times we do look at peakers or small plants. We don't look at just an investment that we get a return on.

We're 100% public power. The public power system works to provide service to our customers at the lowest possible cost. We are always in search of solutions of how can we get this done that is the cheapest and meets the objectives. There are hundreds of competing interests that we have to try to balance when picking a line route. We have got to try and find the route that in the end minimizes impact. Is the route perfect? No, but we are always making compromises. There are trade-offs. We are a "lumpy" utility. Growth goes in spurts. We build transmission and generation. We don't just build for what we need today, we build for the future as well.

If we were to build a generation plant in the northeast part of the state, there are not enough natural gas pipelines available to serve the new plant.

We aren't going to get zero impact. People will be impacted, but we want to minimize that impact as much as we can.

Landowner: Route the line from GGS to Mullen and then to Thedford. We all know Mullen is short of power.

NPPD: As of today we don't have any plans to build transmission to the west. We looked at that back in 2010 but SPP dismissed it.

Landowner: You mention U.S. Fish & Wildlife Service route, what was their point of view?

NPPD: They did not go through an extensive research. They did a table top review. It was a way to get out of the heaviest range of the ABB. It was an additional 38 miles for an additional \$66 million. From the ABB perspective, we won't have any problems mitigating. They are actually looking at possibly delisting the ABB, but that will not happen any time soon.

Landowner: Two things that come to my mind. Road access on the east/west portion. 93 miles where there is no road access. U.S. Fish & Wildlife Service is getting a lot of discredit, I don't think that is right. It's been two years that we've been waiting for the environmental report, something must be causing a hitch and I don't think it's the ABB. I don't think it is right to discredit what U.S. Fish & Wildlife Service says.

NPPD: I think they would be very offended if we tried to claim we were the experts in environmental stuff. We try to make the process better, very thorough. I won't try to play environmentalist. So please give us some credit for working our business.

We never said that the U.S. Fish & Wildlife Service doesn't know what they are doing. They asked us for feedback. U.S. Fish & Wildlife Service has a process they have to follow to ensure that when these projects get done, they are done in a way that doesn't further harm endangered species. They are not a routing authority. They don't have the ability to move the line route.

Landowner: I think that is holding it back so the general public doesn't see the whole picture.

Landowner: You are going through historic parts of this country. The Oregon Trail ruts and you can just run over the top of them and destroy them. I can't do that. We have worked very hard to make a refuge for the ducks. We have the lake out there. And we tried to get you to allow hunting on it and you won't do that. So we have tried to make a place for the birds to stay. It is beneficial to have them here, they clean up the corn left in the fields. I got a two mile strip of the river. You are coming right through the heart of it. You will ruin it and not fix it. You take the trees out of the river for the windbreak for my livestock. We have the Oregon Trail and an Indian camp ground – you are going right through the heart of it but yet you say come to a meeting and we will work with you. You haven't done anything.

Landowner: There is no way the company can ever mitigate any funds if the Oregon Trail is damaged and even as careful as you are, there is going to be damage that cannot be repaired.

Landowner: 85,000 ducks killed at GGS, recently. We will have over 50,000 ducks sitting out there. There will be massive kills, but you don't care. Where you are going you are crossing 3-4 channels.

NPPD: The area where the ducks habitat will be protected. We mark lines to help avoid bird deaths. We will do everything we possibly can to minimize damage. We need to have an opportunity to sit down with landowners.

After the November meetings, this incident was further researched. NPPD believes the incident at GGS referred to above was when a line strike incident occurred in November 2012 in which an estimated 135 mallard ducks were killed. NPPD coordinated with the U.S. Fish and Wildlife Service and corrective measures were identified and implemented.

Landowner: Why don't you build the lines closer to the road so you don't tear up the whole section to get in there and fix the structure? Just follow the 115kV that goes out of GGS.

NPPD: There are issues, a lot more lines, houses and the North Platte airport that are problematic. We also have issues on how to get out of the substation at GGS. Going west was not going to work due to the substation.

Landowner: Why are you getting the cart ahead of the horse when you don't have the EIS? U.S. Fish & Wildlife Service has said they aren't in favor of this route.

NPPD: We are in the process of the easement acquisition in order to get this phase of the project done. This is where we need to be to meet the schedule and there are other things we need to do. What is the risk to the landowner if the project doesn't get built? The landowner keeps the money and the easement will go away. The U.S. Fish & Wildlife Service process follows the processes under the endangered species act, but they have no routing authority under their process. We must keep driving forward to complete our work activities to ensure we can serve the load of our customers.

Landowner: One of the things you spoke about is access – going through the middle of the Sandhills – why don't you follow Highway 83 rather than go through virgin soil? Why don't you follow highways? Wouldn't it make more sense? Granted it would cost more, but it would be more ecological.

NPPD: You'll see a lot of this route along Highway 83. We looked at route alternatives as part of this process. Those alternatives following Highway 83 were more problematic for us in terms of balancing all the criteria we had to look at.

Right-of-Way/Easement Acquisition:

Landowner: Have you ever put up a line and then sold it?

NPPD: We have had lines transferred to us and we are held accountable for what the easement says. And we do retire lines? Yes. If NPPD doesn't exist for whatever reason, whoever buys the line would be bound by the easement agreements.

Landowner: A friend's land had to be appraised. Land was appraised higher than what NPPD is saying the land is worth. We'd like to see your appraisals.

NPPD: We pay 80% of fee value and you still retain ownership of the property. You have the right to farm it. There are just a few restrictions like not putting a building under the line.

Landowner: It should be 800% you have to pay for the easement. The first question anyone will ask if they want to buy your property is "is there a powerline on the property"?

NPPD: I don't believe I've seen where a power line had any impact on the property value. Sometimes a lack of a three-phase can negatively impact a property.

Landowner: Are you valuing the land at agricultural value or industrial value? You are industrializing it by putting the line on it. Do you have a full-time easement guy?

NPPD: We have a full-time Land Management Department. The land is valued according to use. If it's agricultural ground, then it's valued as agricultural ground.

Landowner: Why did NPPD hire an out-of-state firm to get right-of-way access?

NPPD: Our in-house staff can't handle the work load.

Landowner: The wind turbine people will give me \$10,000 a year and you give me an 80% one-time payment. That does not seem fair.

NPPD: The other side of a one-time payment which is 80% of fee value, you may not be able to build a building in the right-of-way but you can graze it, farm it, etc.

Landowner: How long does the easement last? 100 years? Do you have the right to come in and modify the line, via that easement?

NPPD: The easement is perpetual. If we go in and make modifications, you will be compensated for any damages.

Landowner: Do we have the right to reject the damage offer you give us?

NPPD: Yes, you do have that right.

Landowner: If you want to change the voltage in the line do we have anything to say?

NPPD: We would need more right-of-way thus we'd have to negotiate a new easement or supplement the existing easement.

Landowner: Eminent domain is stacked against the landowner.

NPPD: How could you ever say that eminent domain isn't stacked against the landowner?

Landowner: You are asking for a 25 year contract from Nebraska towns. How come we can't ask for a 15-20 year contract and then let's re-negotiate the easement after the 15-20 years. With land valuation and taxes with everything you are proposing we are not getting just compensation. We have had a family business longer than you have been alive. I talked with a real estate agent and we also met with the Center for Rural Affairs and in December 2014 their website and Facebook quoted the Natural Resource Defense Council that transmission lines devalue property by 9.3%. They take the whole block not just the acres in the easement. I took 4,000 acres x 1,500.00 = \$6M. I have a list of buyers interested in ranches but if there are any turbines or transmission lines, they won't look at it. Some said if they can even see a turbine or transmission line that eliminates that property. It definitely devalues the whole property.

NPPD: We have not seen property devalued.

Landowner: Regarding your comment about Cherry Wind, can NPPD use eminent domain to obtain easements for transmission lines for out of state wind farms?

NPPD: If a wind farm never connects to this line, we still need it to serve the load. NPPD can use eminent domain to obtain easements for the transmission line that is needed to serve a load, if the easements cannot be obtained on a voluntary basis.

Landowner: How are you going to handle additional access roads if they are not in the easements?

NPPD: We will get an Off Right-of-Way Access Agreement.

Landowner: On the CSP contract (conservation stewardship program). The NRCS office is telling me that as soon as that easement is granted, those acres go away. We have 7 requirements

we follow to be eligible for the CSP program. They tell me that as soon as the easement is granted, those acres are taken out and no longer eligible. You have paid staff that is supposed to get back to us on these questions and they didn't. We come to these meetings for nothing. We work sun up to sun down. You can't find good help other than my sons, can't afford good help, no one wants to work 7 days a week.

NPPD followed up on the CSP question after the meetings. Contact was made with the District Conservationist in Lincoln County and the NRCS Conservationist in Garfield County. The following is their response: Both individuals stated the transmission line easement will not impact the CSP program and the easement area would not be eliminated from the program. They both agreed the footprint of the structure would not be enough to take the program out. This answer was directly communicated from the CSP Program Manager at the state office. However, the fly yards and material yards would likely impact the CSP program. Only the area that gets disturbed will be taken out of the CSP program. The program is a 5 year commitment and is paid to the producer on an annual basis. If NPPD comes in and disturbs the area during the 3rd year of the program, NPPD would be responsible to pay for year 3 through year 5. NPPD would not have to pay for the prior years. They did mention the landowners may want paid for future years also, as it may take several more years to restore the land and the land will not be eligible for the CSP program until it is fully restored. The CSP program is a 5 year program. Farm programs do change and there is no guarantee that the CSP program will always be available. So paying beyond the 5 year program will have to be discussed. The current program pays \$6 to \$7 per acre for the pasture and range grass. Values can change based on land use.

Landowner: On your 200 foot easement, will it ever be upgraded or can you ensure us it will never let any other projects come in?

NPPD: I can never say never, but we'd have to acquire more right-of-way. You can't do anything under the existing easement beyond what it states. 20, 30, 40 years from now ... we can't say nothing else might come in, but not under our existing easement.

Landowner: What is the liability on this line? Say my grandson hits pole with hay mower for example. Typically what happens if there is an accident?

NPPD: Typically the person causing the damage will get billed for the damage to make the repair.

Landowner: What will I have to have for liability insurance? It's going to cost me more money.

NPPD: We've never gone after anybody for loss of revenue or anything like that. We can do some research on past claims and provide that information to you.

After the meetings, NPPD researched past claims against landowners for damages resulting in the negligent act of the landowner. Six claims were filed by NPPD since 2009 averaging \$11,480. NPPD did not file a claim on loss of revenue on any of these claims.

Landowner: What happens if you guys are out there and it's dry like it is and you start a fire? If NPPD is negligent, are we responsible?

NPPD: It falls back to NPPD's insurance.

Landowner: Do you have good insurance?

NPPD: If there is damage caused by our negligence, then obviously we will pay for it. We do not cover acts of God.

Landowner: Has NPPD considered a yearly payment vs. a one-time payment. For tax purposes and for future generations. Our grandchildren won't receive a dime from this line but yet they will have to deal with it.

NPPD: We pay, one time, 80% of the value of the land for relatively limited rights. We are not aware of any utilities, other than wind, that make annual payments.

Landowners: How many landowners signed a Right-of-Entry Agreement?

NPPD: I believe about 75% of the landowners signed, which equated to about 67% of the line route.

Landowner: Will you use eminent domain?

NPPD: We only use eminent domain when we absolutely have to. Society has deemed that there has to be a tool that is for the greater good that allows the project to go forward. Nobody wants to have their land rights dictated to them. We have a record of 98% of all of our projects of voluntary easements. We don't like to use it.

Landowner: You say you have a 98% voluntary easement rate. How many of that 98% is in the Sandhills? That's what these people are concerned about ... the Sandhills and how you are going to tear them up.

NPPD: For easements on this project, we are 27%t at this time. First we ask for voluntary Right-of-Entry Agreement. That was obtained for 75% of the landowners on this project. We spent two years studying to build this route. This route was not picked willy nilly. We balanced all the factors.

Landowner: How come you go to the landowners and say your neighbor has signed, when they haven't.

NPPD: If the contracted right-of-way firm is saying this, it is unacceptable. I was told it was not a technique being used. We have not had enough communication. If we aren't talking, unanswered questions build up and that leads to frustration. We want to find viable issues/solutions. You have the most knowledge about the specifics –we want to sit down and talk about. Before we present your easement packages to you, we want to get them all prepared so you see all the packages at once. We are just finishing up putting together the packages. We are early on in the process.

Landowner: We want to come in as a group and not individually to negotiate our easements. We are a group of Sandhillers, we will come as a group.

NPPD: When it comes to negotiating an easement, we discuss price, specific location and quite frankly I don't think one wants others to know their own business. An easement is never a group activity, it has to be between the landowner and NPPD.

Landowner: What about the staging area and compensation?

NPPD: In some areas we will have to get Off Right-of-Way Access Agreements. There will be compensation for that. That will be part of the easement package in those areas.

Landowner: The easement is very vague. Are you willing to negotiate those contracts?

NPPD: That's why we want to sit down with people. That's where you get into the nuts and bolts.

Landowner: Will you just leave the short trees?

NPPD: The regulatory agencies have really cracked down on trees in the right-of-way. Because of regulations and because it's good management practice (vegetation management program), we'll work with the landowners on trimming.

Landowner: You are going to give me a lump sum for the easement. So you are really robbing the remaindermen and anyone that is going to buy my land. I think you should pay a yearly lease. A fair, yearly lease.

NPPD: We are paying 80% of the appraised value so we are almost buying the property. The impact on the use and usefulness of the property is minimized. Yes, we put some restrictions on it. Can't build a structure under the easement, but we are mostly buying the property and allowing the landowner to keep the property.

Landowner: How many feet of easements do you require?

NPPD: Typically 100 feet on each side of the centerline.

Landowner: Are you buying from the county?

NPPD: County/state/federal other than interstate system is public rights-of-way. If we put something there we don't have to pay for it. We can overhang it but we do not put a structure on public rights-of-way at this voltage unless it's a distribution pole. If you put your poles on a road right-of-way you don't have to get an easement or pay for it, but if they want to widen the road we would be required to move our structures.

Landowner: I don't want you on my land. You dig those holes in my meadow, you will ruin it. I will lose hay on that.

NPPD: We will pay you for that loss for as long as you are experiencing a loss. We are highly motivated to not create damages in the first place.

Landowner: Can we include in the easement that we do not want cement trucks on our property

NPPD: Language in the easement is essentially the same. We create Special Condition Agreements for specific issues.

Landowner: If you have an easement on my property and you decide to sell to another company, is that really fair to me?

NPPD: The wording in the easement is standard. Which is an enforceable, legally binding document. Filed in the courthouse. If we decide the line is no longer needed or sometime after it is built and removed...that's another question...if we take the line out of service, we would have to remove it. We would release the easement back to the landowner. If the easement is never used and we don't release it, the statute says it goes away in 5 years.

Landowner: Regarding our calving operation, our options are not good. Lose the trees, put the towers in our wet meadow, or move 50 feet south, puts the 4-legged towers right where we are calving. Then we look at our road, which is just a sand road, how do we know we will have a good road when done? Maybe we could use poles instead of towers. I'm being hypothetical; what I'm trying to emphasize is that it is critically important to us is that you sit down and talk about options with landowners.

NPPD: The total amount of the right-of-way cost is 2.6% of the project. Don't lose sight of the big picture. We don't want to throw money at people, but yet we don't want to nickel and dime people. We want to work with people. I am truly convinced that there has been an invisible wall that has gone up that has inhibited us from having those open and honest discussions.

Landowner: What is your deadline for easements to be finished?

NPPD: We were originally thinking by the end of the year. But I don't think that will happen. I need to sit down with the team to ask them about that.

Landowner: I think you should give it fair time to wait it out. Don't put your thumb on those people who want to wait.

NPPD: I think it is a parallel process. Project team has a whole bunch of things to do to match up with the U.S. Fish & Wildlife Service schedule.

Landowner: You are rushing us to let go of our property.

NPPD: It is your decision.

Landowner: You sound like a bully. We want to operate our business the way we always have. Work with those who want to sign. I would recommend not negotiating with anyone in Garfield, Loup and Thomas County until the EIS comment period is done. Don't keep coming around to pressure us to sign. I encourage you to not go to eminent domain until the comment period is done. If you are being honest, let this process work through. Don't rush it.

Landowner: What percent of the land that this line will go over is rangeland?

NPPD: The vast majority is rangeland. 151.4 acres of irrigated cropland. 3,665 of range/pasture. 495 of dryland crops.

Landowner: Can you drive a tractor under the line?

NPPD: Yes, and cattle can graze under the line, etc.

Landowner: I know that there is a large population of the Sandhills who don't want to see the Sandhills desecrated. You guys aren't big on site restoration. I don't think you would be successful in amicably acquiring easements. Are you going to take 60-70% of the landowners to court and take their property?

NPPD: We are just starting the easement process. When we did right-of-entry, we got 75% of the landowners to grant us right-of-entry. Big chunk of landowners who aren't happy with us right now and we are going to continue to try to work with them. The line will be there a long time and we want to make sure we have good relationships with the landowners as we maintain that line. The easements bind us perpetually

Landowner: Will there be any other companies using this easement?

NPPD: No, the easement is for the purpose of constructing the line. There are two shield wires on top and one of those will have telecommunications but it is for us.

Restoration:

Landowner: You don't have a plan in place for restoration and yet you want us to sign an easement. People want to know what is going to happen.

NPPD: The restoration could take a while depending upon rains, we are committed to staying with the process. The plan will be dependent upon each landowner. Some will want to do the restoration themselves and we'll pay for that. Some restoration will take different ideas. We've engaged a Rangeland Specialist from University of Nebraska. We've engaged folks who do restoration on road projects in the Sandhills. So having a plan upfront is a little hard to do, but we will work with landowners. It may take multiple years especially if we run into a cycle of not getting a lot of rain.

If I were a landowner, I'd take pictures prior to construction at every place where NPPD got an easement. We don't want to argue about what it looked like before vs. now. It needs to be documented.

Landowner: How often do you have to go back and work on the line? There are periods of time when I can't even travel in certain areas of my property. If you are going to be accessing the line for the next 30 years I don't believe that you'll compensate me for it.

NPPD: Yes, we will restore the land and compensate you for any damages. The easement is a blanket obligation on the part of NPPD. There are times when we have to come in and inspect and I believe there will be different ways of inspecting in the future. We may access property with a 4-wheeler, but I'd like to see us get away from that and use drones. It would be a huge savings for us. We do have requirements to inspect our lines annually. We will use light vehicles, 4-wheelers or just walk in. We may have to go back to the ropes and climbing. We also plan to use helicopters.

We will give you advance notice when we enter your property unless it's a storm situation. If it's a storm, we have to get the line back in service. We will give advance notice for typical maintenance. If you asked anyone with a line on their property you will get a good response that we respect the landowners.

Landowner: What about the impacts to county roads during the construction phase?

NPPD: When we get down on this end (east end) we will spend a little more time with you. If we cause damages to the roads, we'll make it right. We will work with the counties to determine the best way to do it.

Landowner: I hope you use the best of your knowledge when working in the Sandhills. I have a hard time believing you can restore the land, it's wet and I've lived here all my life and have never found a way to restore wetlands.

NPPD: The key here is to avoid the damage as much as we can to begin with.

Landowner: When is restoration no longer NPPD's problem? I want a detailed plan on what to expect and how that will be corrected after construction and how far will that go out. The land is very fragile.

NPPD: We are looking at hiring a restoration person. This may be an internal position or an external consultant. We are in it for the long haul. We need to establish a relationship with landowners as we are on the hook forever.

Landowner: Who was the restoration guy at the first open house, who told us land would be restored in 2-3 years. Never saw him at another open house. Not Stubbendieck, he came after. Your restoration photos are deceiving. Need to take the pics from straight down. That's where we can see the real improvement. It's not just grass, is a grass, is a grass. You may have different types of grasses coming in that aren't as rich in protein. It's not all the same.

Landowner: Restoration is easier on crop ground and hard grass ground, than it is in the Sandhills. You can ask anyone here that. What if you were us? You are going to impact our calving, our meadow and our shelterbelt.

Landowner: Restoration is going to be needed every year. Will you be there 40 years?

NPPD: We get an easement that allows us to construct and maintain the line for life. The easement is perpetual. Either NPPD or its successors are bound by that easement.

Landowner: If I have to reprogram the swing arms that would be a special consideration?

NPPD: Yes.

Landowner: I don't want vehicles on property – can write that in the easement?

NPPD: Not having any vehicles on your property is probably not feasible.

Landowner: Will you go back and reseed the land (restoration).

NPPD: Yes we will.

Landowner: The pristine Sandhills are a God-given treasure. You say you'd like to hire someone with Sandhills experience. You need to do it. It should be in blood.

NPPD: I am committed to hiring someone. Not sure I'll be able to find someone that has all the ideal criteria I want.

Engineering/Construction:

Landowner: How many lines will be on the poles?

NPPD: Three phases – two conductors on each phase – two shield wire – one may be used for fiber optic cable for communication.

Landowner: How many times have you tried to drill down for a pole in our water country?

NPPD: There will be soil borings done. Some locations we won't be pouring concrete.

Landowner: How much can you move without putting in any guy wires?

NPPD: We will not have any guy wires.

Landowner: A neighbor's cattle were dying from electricity going down the line.

NPPD: If you are referring to an electric fence, we will put in shunts.

Landowner: How is the sand going to hold those poles up?

NPPD: Our foundations are much more substantial.

Landowner: What if lightning hits the line?

NPPD: That is what the shield wire is for.

Landowner: How often do you refurbish a line?

NPPD: Depending on whether it's wood or steel. Wood would probably be in service 30-40 years. Not sure if we had any refurbishments on any steel line, just some minor work. We are required to inspect our lines annually.

Landowner: Are the materials the same as what you've used in the past?

NPPD: Yes, the materials are standard.

Landowner: I have a video of an NPPD representative at the Chambers public hearing saying that vehicles would be washed every time it left an area. We've seen them go from property to property without washing the vehicles. We all laughed at the hearing when the representative said that because we knew you didn't have the means to do that.

NPPD: With construction, if we have landowners with concerns regarding biosecurity, we will wash the vehicles. We are prepared to do that.

Landowner: I'm mainly worried about weeds. Noxious weeds. When we think that a problem has been addressed, as there aren't any ifs, ands, or buts about it. If you aren't serious about things and hold your promises, don't make them.

NPPD: How can we reestablish the level of trust so we can get this line built? That's really why we are here.

Landowner: Why is Custer PPD here?

NPPD: They are the power supplier in this area. They may have to move some lines based on this route. The lines they have to move, based on our line route, we are responsible for paying for.

Landowner: How tall are the towers?

NPPD: Lattice 130 feet. Tubular pole a little taller, 150 feet or so.

Landowner: We are talking about a substantial piece of equipment to put those helical piers in.

NPPD: We plan to use low ground pressure equipment.

Landowner: The problem with track vehicles is you turn them and it tears things up.

NPPD: We can use matting.

Landowner: You are talking several miles of matting

NPPD: We are not using our normal construction methods. We will use helicopters and low ground pressure equipment. The lattice tower foundations won't use concrete. We are looking at screw in or vibratory foundation to minimize the impact. The last thing we want to do is tear up the Sandhills.

Landowners: You marked where the structures will be placed on my property. Is that final?

NPPD: We want to work with each of the landowners to determine where the stakes go. But we will make adjustments if they make sense to the landowner and us. Really important for our folks to sit down with the landowners and work through all the issues together.

Landowners: Where will there be breakers?

NPPD: There will be breakers at each substation (Gentleman, Thedford & Holt County)

Landowner: How far down do the vibratory foundations go?

NPPD: 25-40 feet

Landowner: Have the engineers ever built here or lived here? You are taking engineers' thoughts and they have not worked on this ground. You are talking about a 2 year plan. If they came out and lived here for 20 years you may have a smidge of understanding. We do not see your understanding the Sandhills.

NPPD: All I can say is it would be nice if we could have those one-on-one dialogs. They are all good questions but we need to sit down and talk about it in detail. Engineers will do an analysis and testing. An engineer can't practice if they don't have any expertise. I don't want an engineer on the project that doesn't know what they are doing.

Landowner: The hills change, they blow. If you go out there and dig, you might hit the top of fence that was buried over time. Your engineer isn't going to know that ahead of time.

Landowner: You have these very fragile Sandhills. What's going to keep cattle from rubbing against the towers?

NPPD: Any time you put something substantial out the cattle will rub on it. One of the anti-rub devices is a frame and it comes down to about shin level and it has barb wire....cattle guards. Can't rub against it. The whole goal is to make it an unattractive thing to rub along.

Landowner: Are you going to create roads?

NPPD: Not in many locations. The team has looked at some innovative ways to construct this line. Each structure gets customized depending on where it is going. To walk through the construction.

- Final staking
- Tree clearing
- Install gates and culverts
- Install foundation
- Assemble structure/erect structures
- String wire
- Restoration

Landowner: Lattice towers ... is there a cement base that you screw into?

NPPD: Each leg is screwed in, with anchors. The whole idea is no concrete.

Landowner: If we have a major ice storm, the wires go down, who fixes it? Who do we call?

NPPD: We will fix the line.

Landowner: What's the size of the fly yards?

NPPD: 6-7 acres

Landowner: How often are they putting them in?

NPPD: Every 10 miles. They don't necessarily have to be on the line route.

Landowner: Why are the wires twisted?

NPPD: Twisted wire so not to catch wind so much.

Landowner: Do we need to be concerned with farm equipment under the line?

NPPD: The line height is initially high enough to accommodate farm equipment but you don't want your boom up when driving underneath the line.

Landowner: Lattice towers with helical bases... I understand this is the first time you are working with helical piers ... you don't really know how you are going to screw them in or how it is going to affect our water table. It seems it is a bit of an experiment.

NPPD: We are a member of Electric Power Research Institute (EPRI) and do some work with UNL on Research and Development. When we get ready to spend hundreds of millions of dollars, we are going to have a high level of confidence that what we design and build is going to work. I am trying to do everything I can to minimize or reduce costs for our customers.

Landowner: If you damage the roads, who pays for it?

NPPD: NPPD pays for it and we may even beef up the road to handle the cement trucks.

Landowner: My understanding is that this line will have both lattice towers and monopoles. How much dirt has to be removed for each structure and how much concrete has to be used.

NPPD: The monopoles will be used in areas of good access like along Hwy 83 and will have a concrete foundation. Approximately 7-8 feet in diameter and approximately 20-40 feet deep. We'll need a lot of concrete about 50-60 yards of concrete per foundation. Monopoles will only be used in locations where we have good access. Helical piers (screw-in anchor or it can be vibrated in) no holes dug, no concrete used and can use lighter equipment. We will use these where we don't have good access. We will build them and then fly them in in pieces. We are trying to get something down to the size of a bobcat. We want to fly the equipment from spot to spot to spot. If we end up using track equipment, we will put matting down. Our goal is to have minimal impact and not tear up the ground.

Landowner: What are you going to do with the dirt?

NPPD: The landowner can keep it or we'll haul it off.

Landowner: What about when the lines go down?

NPPD: If and when the lines go down, we will do restoration different than what we normally do. We will have to take the time to get the right equipment and the right stuff. We might have to have some of this stuff in stock, as storm stock, as we will have to have some of the things in place that we had in place when we built the line. It isn't going to be a zero impact but we will try to keep it as small as possible.

Landowner: I have a hard time believing that you will take the time and effort when the time comes because you are going to be anxious to get it rebuilt.

Landowner: Will Niobrara Valley bury the line or move it across the road?

NPPD: We are not sure what they have planned.

EMF:

Landowner: What is the danger for the cattle underneath the line?

NPPD: There is a large feedlot along Interstate 80 where we have a transmission line. There are no harmful effects from the power line, no issues associated with it. There have been a lot of studies of human and animals and no conclusion, no evidence either way. We have outside experts. They have a long history of working on these kinds of issues. If you want their names and phones numbers or people with feed yards we can give you that information.

Landowner: How long will I have to keep records on my cattle? What happens if the line sterilizes my bulls?

NPPD: We can get you in touch with veterinary sciences expert. They will tell you what the studies say, not just what you want to hear.

Landowner: You can't put these near schools as the leukemia rate goes up. So you are telling us that there are no health affects for us.

NPPD: We build the lines to a certain set of design standards. Safety standards. Dr. Dwight Mercer and/or Mike Silva can answer your EMF questions and we can also bring them in to discuss these matters with you.

Landowner: How close can lines come to homes, where people live?

NPPD: From a safety standpoint we don't want any structures within the 200 foot right-of-way width. One criteria for us was homes should be 300 feet away from the centerline. And we have 3 homes that are within 300 feet and we plan to take a look at those again. However that was a goal.

Landowner: What's the high voltage on this line do to a fence?

NPPD: If you have a fence line that runs along the line route, we will ground it for you.

General Comments/Questions:

Landowner: We don't have any voice. We love every inch of our property just as you do your front yard.

NPPD: We have never built a powerline that people wanted. I wouldn't want to lose any of my property rights either. We want to balance the interests of all property owners. That's why we spend so much time on the front end.

Landowner: Will you publish the comments from all the meetings?

NPPD: Yes, we may send the comments out in a newsletter or place them on our website.

Landowner: How did you organize the meetings?

NPPD: Alphabetically down the list. If we had to do it over again, we could say if this time doesn't work for you, call us.

Landowner: Suggested listing all meetings for people to see.

Landowner: You are crossing people's land, don't they deserve a piece of the pie?

NPPD: If we are developing transmission to serve load it's to help increase the reliability of our system, then I don't think there is an argument for that. But when private developers come in and they are getting a return on their equity and federal subsidies, I think there is an argument for that.

Landowner: Our family has been in business for 137 years. There could have been a lot done to be truthful and forth-right about options. I hope what I'm hearing today, rings true. NPPD likes to put out a good image and they do a tremendous amount of advertising. On news reports, who gets the last word? NPPD.

NPPD: Can I make an observation? One of the issues we have gotten caught up in is whether we are going to build a line and where it is going. If we can get past that, we can have the type of conversation where we can make tweaks.

Landowner: Don't use the tactic that "You are the last one to sign." We know this is an untrue statement.

Landowner: Can the minutes of the board meetings be put out before they are approved? I can't see them until after your next meeting. But I understand you are going to broadcast the meetings, which will help.

Landowner: I expect the NPPD people who enter my property to work on that easement to show me proper identification.

Landowners: Every time you have told us you were coming out has been at some of the most inopportune times for us. How about you ask us "when would it work best?". All these kinds of things set a tone. If we had not had the chief of staff and the governor come out, would we be here today? This should have happened 3 or 4 years ago.

NPPD: The belief that “we are going to stop the line or get the line re-routed” has hindered the communication between landowners and NPPD. When it comes to the final line route, we probably aren’t going to move it. But there are a lot of other decisions we can make together that will make it better for the landowners. We need to look for a way to rebuild trust.

Landowners: What are you going to give us? How much money will NPPD make? We are going to have to live with this line for the rest of our lives and our children’s lives and our grandchildren’s lives.

NPPD: We only charge what our costs dictate. No one is getting bonuses for completing this project. We are building the line to ensure that Nebraskans get low cost energy.

Landowner: You give staff salary increases.

NPPD: I just announced a voluntary retirement program to help cut the cost of our payroll.

Landowner: KRVN has a code red. Has that been implemented since 2012?

NPPD: If it’s a code red day, NPPD and its customers are charging for billable peaks. Been in place for 20-25 years, I’d say. Continue to see more folks putting in new irrigation and also wanting to convert from diesel to electric, more economical and convenient.

Landowner: If you build a line for a wind company, can you use eminent domain?

NPPD: Yes, but if a private company builds the line, they do not have eminent domain authority.

Landowner: This country was built on a handshake. The trust is gone. If you want to get along with us, you need to be open and honest.

Landowner: Do you want to go down in history for tearing up the Sandhills? Same story. You go through the formality. You need to clean it up. You don’t listen to us and you want to communicate with an eminent domain package in your pocket. We are strong here and we are getting stronger as a group. The people do have something to say about this and the people will have something to say about this. We will stand together. You have pushed us far enough. I don’t like a bully.

Landowner: I was told that you didn’t take the north route because you didn’t get as many complaints.

NPPD: We are making the best choices for Nebraskans. We have a whole bushel basket – we have to balance all the pros and all the cons that are competing. We exist for Nebraska.

Landowner: I feel that when you went with SPP that all went out the door. I don’t agree with the centralized markets. I would have rather stayed independent. What about using tax money

for eminent domain? I think you can change it – I think you have the ability to change it. Quit harassing this country and me for the last 2 years.

Landowner: We felt like rural America meant something but for some reason that has changed. Big businesses have taken off – I feel that this is how the Indians must have felt years ago.

Landowner: We are not unreasonable people, we know we need electricity. We want you to listen to us.

Landowner: How come we can't see all the open house comments? You don't have to put names with it. You say you listened, but you didn't. I got nothing saying you listened to my comments.

Landowner: We've lived on the land and worked it just like you work at your job. It's not an easy thing to do in all kinds of weather and every day we try to make one small improvement and have for years. So proud of what we've done ... our accomplishments. And you have labeled us as uncooperative. We've been labeled in the community and the media and with our lawyer. You want us to help you condemn our property and cut down on our income it's not like we make \$250,000 a year. The cattle market everyone knows – some years we are drinking the wine and other years picking up the grapes and yet you want to come through our shipping yards. You brought 4-wheelers and you thumbed your nose at us. I do believe we told your representatives that we did not allow 4-wheelers. Later we found out you allowed your people to walk lines, but on the day you came to visit us you brought 4-wheelers. And you stood us up on the day you told us you were coming. But the next day you came back without telling us you were coming. And you brought the sheriff with you. You didn't even tell us you were there. The 2nd day you came back with your 4-wheelers you came through our ranch (2 miles over) completely away from the line. We don't want our ranch or our income taken away, just for the R-project. You people come and harass our children. Incompetent people. We go to Columbus and say that and we hear, "our people wouldn't do that".

Landowner: Did you ever meet with Gov. Ricketts?

NPPD: I meet with him regularly.

Landowner: NTAG: who is in that group?

NPPD: They don't really exist. There has not been a meeting since 2010.

Landowner: If you are concerned about this state and the people of this state, you will look at every suggestion. I'm not against power lines.

NPPD: We do and we have.

Landowner: You have to take some responsibility. You had enough employees at open houses to run interference so that neighbors could not talk to each other. Felt that you were having the meetings because you had to. Just simply there to meet a legal requirement.

NPPD: We wanted to ensure that we had enough employees to take care of all the guests.

Landowner: I went to the U.S. Fish & Wildlife Service meeting. I had to ask the NPPD representative to leave so I could talk to U.S. Fish & Wildlife Service as I felt he was not letting me talk. I asked a Board member to leave too.

Landowner: Why are you having 3 meetings in the same place in the same day? Are you trying to split us up?

NPPD: No, we wanted to foster an open discussion.

Landowner: I believe you will try to protect the Oregon Trail ruts. But if an ice storm comes in, you are going to tear the hell out of it (the land) to get power back up as quick as you can. Your ruler went straight and that's the way the line goes. It's not right. I don't know how you stop it. I don't have power of eminent domain. You get up in the Sandhills in that sugar sand, and erosion is going to be tremendous.

Landowner: I'm not asking for zero impact. I'm just saying stay out of the pristine Sandhills. You should be trying to figure that out because you are damaging a treasure.

Landowner: Fences are like gold. You need to put fences in the easement agreement.

NPPD: We can add it to a Special Conditions Agreement.

Landowner: On the Hoskins-Neligh line, what's over there that powers the line? I drive underneath it and cannot figure out where the generation comes from.

NPPD: There actually is no generation in the north part of the state, we rely on transmission interconnection.

Landowner: You're really going to go back and consider all the feedback from the meetings?

NPPD: Yes. There is no doubt the Sandhills are precious. We want to do more micro-siting. We want to work with landowners to move structures that may be in wetlands.

Landowners: I think in the long run, the win-win would be to stay out of the Sandhills. I think you could do it.

NPPD: Our experience the last four days will be reported to the Board.