

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
PCN-2**

In the Matter of the Petition of)
)
TILLAMOOK PEOPLE'S UTILITY)
DISTRICT)
)
**PETITION FOR CERTIFICATE OF)
PUBLIC CONVENIENCE)
AND NECESSITY)**
)
_____)

INTERVENOR REPLY CROSS ANSWERING OF KURT MIZEE

March 26, 2019

Kurt Mizee – Intervener Cross Answering

I. Introduction

Kurt Mizee, on behalf of the intervener Tilla-Bay Farms, Inc. will respond to issues we feel are in error with Staff's Reply Brief received March 12, 2019 regarding PCN-2. Specifically the necessity, practicability and justification for the project along with the compatibility with Statewide Planning Goals are troubling.

Necessity

Staff has recommended that the transmission line "is desirable and useful because it will provide increased capacity, allow for replacing of aging infrastructure, improve reliability on TPUD's system and is the only option that adequately addresses these needs."¹

Increased capacity – Accurate data has shown that increased capacity is not needed when proper growth and use numbers are utilized. Staff has not used accurate data in determining if increased capacity is needed. They have instead utilized the petitioner's submitted data, which has been flawed and overestimated on multiple occasions, and presented in various formats to justify the project.

Allow for replacement of aging infrastructure – TPUD has had a plan in place to replace this aging infrastructure (Distribution line - Feeder 51) for several years now that includes utilizing a generator to minimize and/or eliminate down time. Instead of replacing, or improving this infrastructure as needed and in a timely manner, they have been holding the communities of Oceanside and Netarts hostage with this dilapidated distribution line while they continue to push the Transmission line agenda. The operations staff at TPUD does a phenomenal job of keeping up lines and rights of way. Why has this line been ignored? Deferred maintenance is not justification for new infrastructure.

Improve reliability on TPUD's system – Reliability is increased by increasing capacity. The issue is the capacity is now further distanced from the need. Large commercial users are now at the end of what TPUD has consistently said is their worst performing feeder rather than just down the street. The construction plan for feeder 51 shows no intention of changing the location of the poles or right of way maintenance from current operations which would increase reliability. How then is reliability increased by taking power that the TPUD deems necessary and placing at a higher risk of successfully reaching the end user? Feeder 51 is the weak link in this scenario. In terms of project cost the replacement of this feeder is not counted. It is also not included in the proposed project under consideration with PCN-2. Therefore, increased system reliability shouldn't be considered by the commission as it is a hypothetical at this point.

Staff states, "TPUD considered several options, including building a redundant 24.9kV feeder."² TPUD has presented their version of "Option 3" as the only distribution option available. There are multiple

¹ Staff 's Reply Brief PCN-2 page 3 lines 4-7

² Staff's Reply Brief PCN-2 page4, line 11

options available for radial distribution systems out of multiple substations. However, the public was never, not once, allowed to consider distribution level options to resolve this issue. The only options on the table for the public to consider were transmission line options. It would seem that before they are granted the ability to condemn private property, an honest and thorough look at alternatives should be done and vetted by the public. A distribution line does meet the stated need (even the inflated one.) A distribution line does create redundancy. And, a distribution line can increase reliability without condemning private property. Prior to beginning of the land use process we (the affected land owners) were told by then Chairman, Doug Olsen that the land use process would allow us to give input on alternatives. Then, during the land use hearing we were told by Chair Olsen that they wanted to work with the public, only to have that statement reversed less than 30 minutes later following a recess with the TPUD's attorney. We have repeatedly asked to have distribution options looked at and we have even found options that we believe will work as good, as or better than transmission line. We have strong public support for these options. The TPUD continues to march ahead in spite of this.

Safety

Staff states that they find "the project is almost exclusively along road right-of-ways, utility corridors or previously developed areas".³ However, the route cuts through the middle of privately owned property (mainly farm and forest land), through areas that are under water during routine flooding, not along roads, through the middle of landslide prone forest lands with standing timber and along a just recently restored wetlands. Alternatives not evaluated by TPUD have a much greater level of the desired criteria used by staff in this section.

While the PUD has stated that because of the robust nature of the construction of transmission lines there will not be a safety issue⁴, this is not entirely true. Certainly the very presence of an 115kv transmission line that is not currently interfering with land use is an added safety hazard. In previous testimony we have shown that there are safety issues to both people and animals as it crosses farm land. Also, in verbal testimony to the Tillamook County Board of Commissioners Stimson Lumber representative Jon Wehage very clearly articulated safety concerns for employees and equipment operators working around transmission lines in the Forest zone.

Practicability

Staff states that the transmission line project will be constructed "in a manner that will limit the project cost and impacts to landowners."⁵ Landowners are still not convinced of this as shown by the nearly unanimous lack of property owner support. Also, the cost of acquisition of rights of way has been drastically under-valued. There has still not been a life cycle cost analysis done on this project or alternatives. True cost of this project is hard to understand without looking ahead.

Staff states that "it provides for co-location with existing rights of way"⁶ however, as mentioned above this is when viewed through the narrow lens of the transmission only options given to the public. There

³ Staff reply brief PCN-2 page 6, lines 7-8

⁴ TPUD's Opening post-hearing brief page 8

⁵ Staff reply brief PCN-2 page 7, line 4

⁶ Staff reply brief PCN-2 page 7, line 6

are far superior options available to meet the desired outcomes of increased reliability and capacity for Netarts and Oceanside and the entire system.

Staff states that “There is no potential route that would not cross agricultural lands.”⁷ This again is because TPUD has predetermined the end points of the transmission line and the fact that it must be a transmission line to meet the need. However, there are options available that were never considered that do not impact agriculture lands. Again, these were never vetted by the public, or allowed to be under consideration. These alternatives deserve the same attention as a transmission option if we are to take private property and set aside State wide planning goal 11(a)(6).

Staff states that “TPUD included a Farm and Forest Impact Assessment in its land use application” and “financial impact to farming practices should be minimal.”⁸ However, this assessment was done by a firm in Southern Oregon where the style of forestry and farming are distinctly different. Furthermore, it was called out as incorrect by farmers and foresters located locally. These are the experts in this arena because they are college educated in these specific areas of expertise and are on the ground successfully operating businesses in these fields. Additionally, professional organizations such as Oregon Farm Bureau and the Dairy Farmers of Oregon backed the farmer and forester’s testimony.

Justification

Perhaps one of the most troubling statements by staff was, “Staff did not engage in traditional cost/benefit study because most of the relevant benefits of the line and the negative externalities are somewhat unquantifiable. Moreover, any need for analysis is less compelling than in petitions concerning investor owned utilities, because TPUD is a not-for-profit entity, assumed to be action for the benefit of all of its customers.”⁹ If this was a project with no opposition this may seem a reasonable conclusion by staff. However, this transmission line has been under fire for almost a decade, appears to be traveling to the Oregon Court of Appeals, has no landowner support and has resulted in two of the three longtime board members been voted out at the last election. Furthermore, hundreds if not thousands of hours of volunteer time has been committed to flushing out the truth. Tillamook PUDs balance sheet shows that they are not good managers of the resources they collect. The only justification TPUD has put forth to take private property and spend rate payer money is because of a stated need that they don’t have numbers to back up. If an accurate and thorough cost benefit analysis of this project and its alternatives is not seen as a duty by staff then the system is broken. We have protected this farm land for future generations for over 100 years on our farm. The landowners in question and the ratepayers ask that the commission require true and accurate justification for this project from the staff and the petitioner and that the public have opportunity to vet the information.

Staff also states that, “Constructing the line will benefit over 12,000 customers in the central Tillamook Valley”¹⁰ and that “the benefits justify the project”.¹¹ However, this once again ignores the fact that in order to increase benefit to the 12,000 with a transmission line to Oceanside the added capacity would need to travel on the worst performing feeder in the system – Feeder 51.

⁷ Staff reply brief PCN-2 page 7 line 10

⁸ Staff reply brief PCN-2 page 7 lines 15-16

⁹ Staff reply brief PCN-2 page 8 lines 10-14

¹⁰ Staff reply brief PCN-2 page 8 lines 19-20

¹¹ Staff reply brief PCN-2 page 9 line 1

Conclusion

It is our contention that neither staff nor the petitioner has sufficient reason to move PCN-2 forward at this point. We also reaffirm our position that there are alternatives available at less cost, with less impact that Tillamook PUD has never conducted a thorough analysis of or publicly vetted. We respectfully request that the Commission deny PCN-2 for the good of the Oregonians in Tillamook County.

Dated this 26th day of March 2019

/s/ Kurt Mizee, Tilla-Bay Farms, Inc.