



Delivering electricity you can rely on

Right-of-way acquisition and construction process in Minnesota

CapX2020 is a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region to upgrade and expand the electric transmission grid to ensure continued reliable and affordable service.

The CapX2020 utilities were granted a Certificate of Need on May 22, 2009 from the Minnesota Public Utilities Commission (MN PUC) for the three CapX2020 345 kV transmission lines. Route Permits are required for each project, and in accordance with permit determinations, CapX2020 representatives will proceed to acquire easements, which are required in order to construct, operate and maintain the transmission line. CapX2020 will follow the general sequence of acquisition activities described below.

1. LAND TITLE OWNERSHIP

CapX2020 will examine the public records for each parcel crossed by the transmission line. A title report will be prepared to determine the legal description of the property, establish the owners of record, and provide information regarding easements, liens, restrictions, encumbrances and other conditions of record.

2. INITIAL LANDOWNER CONTACT

CapX2020 will compile a preliminary list of landowners who could be affected by the route within the corridor approved by the MN PUC. Landowners will be mailed an introductory letter and informational materials. A CapX2020 right-of-way representative will then follow-up with each landowner (or his or her representative) to discuss the project, confirm the ownership interests, describe the process and answer questions. The CapX2020 representative will also obtain landowner input regarding the project and the property. Project route maps are **preliminary**, as accurate road right-of-way and survey data are still being acquired.

3. SURVEY AND SOIL BORINGS

In certain cases, CapX2020 will contact landowners in order for survey crews to enter the property to complete preliminary survey work or wetland delineation. A soil boring contractor may also need to take soil borings, which will proceed only after authorization is received to enter the property. The data obtained by the survey crews will be used to refine a preliminary design.

4. STRUCTURE LOCATION STAKING

After the design is completed, survey crews will identify the transmission line's centerline and the location for each pole. This allows the landowner to review pole locations prior to entering an easement agreement.

5. DOCUMENT PREPARATION

CapX2020 will prepare all documents required to complete each easement transaction. Typical documents might include easement, option agreement and clearing and construction access notice. The CapX2020 utilities that will own the line will be named as parties to these documents; one of them will be designated as the authorized agent to represent the operating companies when dealing with the landowner on easement and line issues.

6. EASEMENT EVALUATION

CapX2020, with the assistance of qualified appraisers, will develop a compensation payment for each easement in a consistent, fair and equitable manner. In addition to the compensation payment for the easement, CapX2020 will offer landowners an incentive payment to acquire the easement through negotiation.

continued

7. NEGOTIATED AGREEMENT

Once the necessary surveys are done, land data and road right-of-way are gathered, and final maps prepared, a CapX2020 representative will meet with the landowner to present and discuss maps showing the location of the easement and the line route across the landowner's parcel. In addition, the representative will present the compensation payment and the legal documents to the landowner. After the issues have been discussed and the landowner's questions have been answered, the landowner will be allowed a reasonable amount of time in which to consider the transaction. The CapX2020 representative will work closely with the landowner to resolve concerns and reach agreement.

8. ACQUISITION BY EMINENT DOMAIN (CONDEMNATION)

In some cases, the parties may not be able to reach a negotiated agreement. In those situations, CapX2020 will need to use the eminent domain process (also known as "condemnation") to acquire the easement. The condemnation procedure for a utility is codified in Chapter 117 of the Minnesota Statutes. Additional provisions, including Section 216E.12 of the Minnesota Statutes may also apply.

Landowners should consult with legal counsel regarding their rights with respect to eminent domain proceedings.

General condemnation procedures include:

- Prior to commencing the condemnation proceeding, CapX2020 will provide the landowner with an independent appraisal of just compensation for the acquisition of the easement and a written offer to purchase the easement.
- A landowner has the right to obtain his or her own appraisal and submit the cost to CapX2020 for reimbursement per Minnesota Statutes Chapter 117.
- After providing the landowner with the appraisal, CapX2020 will file a petition with the district court. Landowners will be served with a copy of the petition and notice of the district court hearing.
- After being served with the petition, certain owners of agricultural or residential property will have 60 days to notify CapX2020 in writing of the owners' election to require CapX2020 to acquire additional property pursuant to Minn. Stat. § 216E.12 (often referred to as "Buy the Farm").
- A district court judge will conduct a hearing on the petition to consider it as well as evidence presented in order to approve the condemnation.
- If the district court issues an order granting the petition, CapX2020 will submit its independent appraised value for the respective easements to the district court, or pay that

amount directly to landowner(s). Title to and possession of the easement should transfer to CapX2020 about 91 days after the petition is filed. Once title and possession passes, construction can begin.

- The district court will appoint three independent condemnation commissioners to determine the amount of just compensation that should be awarded for the easement acquisition. The commissioners will schedule a viewing for each parcel and will hold hearings to take testimony in order to make a compensation award.

CapX2020 will remain available to negotiate with landowners while the condemnation process is underway. If the parties reach an agreement while the condemnation proceeding is pending, CapX2020 will take the steps necessary to dismiss the proceeding with respect to the settled parcel(s).

9. THE CONSTRUCTION PROCESS

As part of the easement acquisition process, the CapX2020 representative will discuss with the landowner the construction schedule. During construction, the following may be required, if applicable:

- Construction access to the easement
- Temporary removal or relocation of certain fences
- Installation of temporary gates
- Early harvest of crops where possible
- Removal or relocation of equipment and livestock from the right-of-way
- Removal and disposal of vegetation
- Construction survey staking - pole locations and right-of-way limits
- Installation of pole foundations and disposal of excess soil material
- Erection of poles on foundations
- Stringing and attachment of wires (conductors)
- Construction clean-up and restoration
- Damage settlement

10. RESTORATION AND CLEAN UP

The CapX2020 representative will assess and tabulate any damages incurred during construction and contact each property owner after construction is complete to settle claims for any such damages. After construction is complete, CapX2020 will restore the damaged property as close as possible to its original condition. If damage occurred to crops, fences or other property during construction, CapX2020 will fairly reimburse the landowner for those damages.