

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Public Service Commission**  
**Public Utilities – Siting**  
**Rulemaking**

**Case No. PU-05-602**

**STAFF TESTIMONY**  
**January 4, 2006**

My name is Jerry Lein. I am a Public Utility Analyst in the Public Utility Division of the Public Service Commission. The purpose of my testimony is to explain changes proposed to the Commission's administrative rules to amend subsections 69-06-08-01(4) and 69-06-08-02(4) of the North Dakota Administrative Code pertaining to the siting of energy conversion and transmission facilities.

Subsection 69-06-08-01(4) sets forth policy criteria for the siting of energy conversion facilities and 69-06-08-02 sets forth policy criteria for the siting of energy transmission facilities. Both sections provide that the Commission may require, or give preference to an applicant that will maximize benefits that result from, the policies and practices listed therein. The amendment being proposed is identical for both sections and states that the Commission may also give preference to an applicant that will maximize interstate benefits of proposed projects.

These amendments are being proposed to clarify the Commission's ability to consider interstate benefits of transmission facilities when determining whether to issue siting permits. This clarification is necessary to help ensure that the Commission's siting authority will not be federally pre-empted under the federal Energy Policies Act of 2005. Section 216 of the Act provides that the U.S. Department of Energy is to designate national interest electric transmission corridors and authorizes the Department to issue construction permits within those designated corridors if, among other things, the state does not have authority to approve the siting of facilities or to consider the interstate benefits expected to be achieved from the facilities.

That concludes my testimony in Case No. PU-05-602. Thank you.