BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION OF SCS CARBON TRANSPORT LLC FOR A CERTIFICATE OF CORRIDOR COMPATIBILITY AND ROUTE PERMIT FOR THE MIDWEST CARBON EXPRESS PROJECT IN BURLEIGH, CASS, DICKEY, EMMONS, LOGAN, MCINTOSH, MORTON, OLIVER, RICHLAND AND SARGENT COUNTIES, NORTH DAKOTA	CASE NO. PU-22-391

DIRECT TESTIMONY OF JEFF OLSON

ON BEHALF OF

SCS CARBON TRANSPORT LLC

April 22, 2024

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669 PU-22-391 Filed: 7/1/2024 Pages: 10
SCS Exhibit SCS R-16 - Pre-Filed Testimony of Jeff Olson (Dkt. #578)

SCS Carbon Transport LLC

Q. Please state your name, business address, and present position.

A. My name is Jeff Olson. I am a Senior Appraiser with LandVest, which is headquartered at 888 Boylston Street, Suite 520, Boston, MA 02199. I work out of our Tomahawk, WI location with an address of 1621 N. 4th St. Suite A, Tomahawk, WI 54487.

Q. Please describe your educational and professional background.

A. I received my Bachelor of Science degree in Forestry Administration, with a Minor in Wildlife Management from the University of Wisconsin – Stevens Point, in 1988. I received my Certified General Appraiser license in 2005, and am currently licensed in Wisconsin, Michigan, Minnesota and North Dakota. I have 35 years of experience in the Lake States as an appraiser and forester. In the past 25 years, my appraisal experience has centered on eminent domain appraisal assignments. I specialize in multiple parcel appraisals for highway improvement projects, and utility projects associated with pipelines and transmission lines. I have had numerous appearances in jury trials and civil hearings in several counties in Wisconsin, Minnesota, Michigan, and North Dakota. Since 2014, I have prepared appraisal reports for litigation support on over 125 cases. My other appraisal assignments include Environmental Monitoring Easements, Flowage Easements, Avigation Easements, Surface Rights Damage Claims, federal and industrial land exchanges, conservation easement valuations, appraisal assignments subject to IRS requirements, appraisals for estate planning purposes, alongside eminent domain projects.

Q. Have you previously provided testimony before the North Dakota Public Service Commission ("Commission")?

A. No.

Q. What is the purpose of your direct testimony in this proceeding?

A. To provide the Commission with an unbiased analysis in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), regarding whether the presence of a pipeline easement crossing a residential development has an impact on property values.

Q. Can you briefly explain why YOU are testifying?

A. Yes. Wade Becker from Boulder Appraisal previously submitted correspondence in this Case PU-22-391, Docket 293, dated May 30, 2023. It is my understanding that Wade Becker is unavailable to testify regarding his report and I was asked to review his previous filing along with other filings and provide my opinion and testify in this matter.

Q. What have you done to prepare this testimony?

A. I reviewed the written testimony of Jeffrey L. Skaare, Docket #290. I also reviewed the Boulder Appraisal correspondence dated May 30, 2023, Docket #293. I completed my own individual assessment and concur with the findings and conclusions previously submitted by Mr. Skaare and Boulder Appraisal.

Q. What is your assessment of the testimony of Jeffrey L. Skaare, Docket #290?

A. Mr. Skaare submitted written testimony to the North Dakota Public Service Commission, on June 1, 2023. He opined that there are several residential subdivisions located in Bismarck, North Dakota, that were developed with an existing Natural Gas Transmission Pipeline, and an existing Refined Products Hazardous Liquid Transmission Pipeline. Based on my research, I concur and observed both pipelines traveling through several recently developed residential subdivisions on the northwest side of Bismarck.

Q. What is your assessment of the Boulder Appraisal correspondence filed with the Commission at Docket No. 293?

A. Mr. Becker submitted a letter which opines to the market research and analysis on pipeline impacts on residential property in Bismarck, on May 30, 2023. In the letter, Mr. Becker portrays analysis and conclusion on potential impacts of pipelines crossing through residential subdivisions. He analyzed sales of residential properties within six separate residential subdivisions. Mr. Becker stated conclusions that the market data collectively indicates that potential buyers of residential property exhibit little to no preference in choosing between lots encumbered and non-encumbered by noted pipelines. He further states that it underscores that careful subdivision planning and factors such as lot size, expanded yard and adjoining greenspace, price, and developable area play a more influential role in guiding their decision-making process. Lasty, Mr. Becker states that because pipelines traverse most, if not all, of the city of Bismarck, additional cursory research was conducted in more mature residential neighborhoods that yielded similar results.

Q. What was the focus of your independent research?

A. My research was primarily focused on the newer residential neighborhoods of Bismarck. While driving through the neighborhoods, the pipelines crossing through the areas are clearly marked with above ground markers (see photos in **Exhibit A**). It is quite evident that developers are aware of the presence of pipelines and have the ability to design a development with their presence.

Q. What is your assessment of the impacts of a transmission pipeline's impact on lot values in residential development?

A. My independent research included a review of the sale price of the properties encumbered by pipeline easements. Two conclusions are evident. First, there is no pattern as to which lots are developed first. Many of the encumbered lots were some of the first to sell. Secondly, there is no market evidence uncovered that suggests that pipelines impact the market value of residential properties. Based on my initial assessment, I agree with Mr. Becker, in that there is no discernable difference in marketability or market value, due to a pipeline encumbrance on residential properties in Bismarck.

Q. Did you also look at a pipeline's impact on Agricultural land?

A. Yes.

Q. What can you tell us about this research?

A. I completed a Market Analysis of agricultural land sales comparing land with and without a pipeline encumbrance using what is commonly referred to as a "Paired Sale Analysis". I used sale dates in close proximity. I used three (3) different transmission lines, including the Dakota Access Pipeline, a WBI Pipeline, and a Marathon Pipeline. I conducted six (6) separate and individual Paired Sale Analyses across five (5) counties, including one in Morton, Oliver, Burleigh, and Dunn Counties and two in Emmons County.

Q. What were the results of this research?

A. The six pairings found across local counties indicate a selling price difference from +2 percent to -8 percent, with an average of -3.3 percent. As shown in the tables in **Exhibit B**, paired sales analysis indicates selling prices of agricultural properties are not significantly impacted by utility easements. Impacts are often not discernable but can be in the range of 0 to 10 percent of market value.

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Q. Does this conclude your testimony here today?

A. Yes.

Dated this 15th day of April 2024.

Jeff Olson

EXHIBIT A

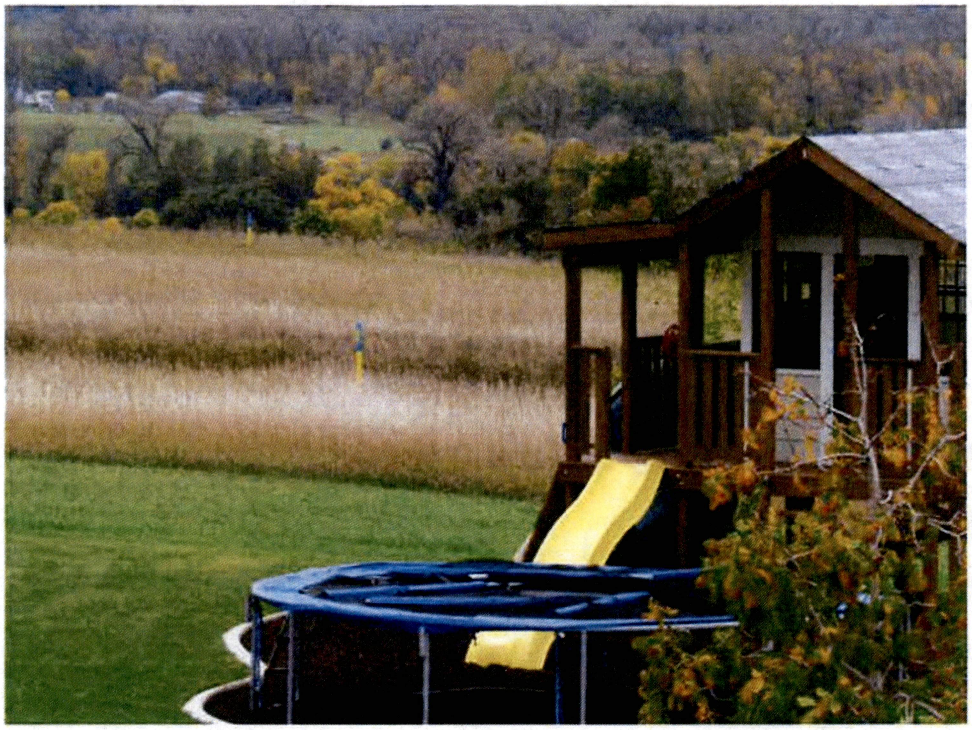

EXHIBIT B

Morton County – Dakota Access Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	12432	2022	$400,000	314.88	$1,270
None	12430	2021	$400,000	320.00	$1,250
				Difference:	**+2%**

Oliver County – Marathon Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	12551	2021	$175,000	159.68	$1,096
None	12553	2021	$384,000	325.05	$1,181
				Difference:	**-7%**

Burleigh County – WBI Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	12664	2020	$4,350,000	1,171.00	$3,715
None	12601	2022	$1,300,000	290.71	$3,900
				Difference:	**-5%**

Dunn County – Dakota Access Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	11070	2018	$312,500	160.12	$1,952
None	12980	2018	$320,000	160.00	$2,000
				Difference:	**-2%**

Emmons County – Dakota Access Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	12415	2020	$440,000	160.00	$2,750
None	12653	2020	$512,000	157.49	$2,984
				Difference:	**-8%**

Emmons County – Dakota Access Pipeline

Agricultural Sales

Encumbrance	Sale #	Sale Date	Sale Price	Sale Acres	Price/Acre
Pipeline	12416	2022	$640,000	640.00	$1,000
None	12729	2022	$160,000	160.00	$1,000
				Difference:	**0%**