BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION BY SCS CARBON TRANSPORT LLC FOR A PERMIT TO CONSTRUCT A CARBON DIOXIDE TRANSMISSION PIPELINE

SD PUC DOCKET NO. _____

PRE-FILED DIRECT TESTIMONY OF ERIK SCHOVANEC
ON BEHALF OF SCS CARBON TRANSPORT LLC

November 19, 2024

Q. Please state your name, employer, and business address.

A. My name is Erik Schovanec. I am the Vice President of Pipeline and Facilities for Summit Carbon Solutions, LLC ("SCS"). My business address is 2321 N Loop Drive, Suite 221, Ames, IA 50010.

Q. Briefly describe your educational and professional background.

A. I received a Bachelor of Science in Mechanical Engineering from Oklahoma State University. I have over 14 years of applicable pipeline design, construction, start-up, and operations experience for infrastructure projects in the midstream sector. I have served as a Project Engineer, Construction Manager, Engineering Manager, and Director of Engineering for large and small energy projects of varying product type across both the U.S. and Canada. I have directly overseen, or managed people overseeing, the installation of thousands of miles of pipe and dozens of pipeline facilities. Prior to my current position, I worked for Blueknight Energy Partners, Hiland Partners, Kinder Morgan, and EPIC Midstream with primary responsibility for safe and reliable design, construction and operation of pipeline and pipeline facility assets.

Q. What is your role with respect to the Project?

A. I am responsible for the construction of SCS's pipelines and associated facilities, including the Project. My duties encompass but are not limited to: pipeline routing; surveying; constructability reviews; contractor selection and management; material and equipment logistics; quality control and assurance; environmental best management practices and reclamation; schedule; and budget.

Q. What is the purpose of your Direct Testimony?

A. The purpose of my testimony is to describe the Project, discuss SCS's route selection process, provide information on the Project's construction and operation, provide an overview of SCS's efforts to avoid and/or minimize potential environmental impacts, and discuss local land use approvals.

Q. What exhibits are attached to your Direct Testimony?

A. The following exhibit is attached to my Direct Testimony:

Exhibit 1: Resume

Q. Please identify the sections of the Application that you are sponsoring for the record.

A. I am sponsoring the following portions of the Application:

- Section 1.8 – Other Required Permits and Approvals
- Section 2.0 – Project Description
- Section 2.2.7 – General Construction Procedures
- Section 2.2.8 – Special Construction Procedures
- Section 2.3.1 – Normal Operations and Routine Maintenance
- Section 4 – Proposed Route and Alternative Routes
- Section 5 – Environmental Information and Impact on Physical Environment
- Section 6.2 – Infrastructure Impacts
- Section 6.3 – Community Services
- Section 6.5 – Other Impacts
- Appendix 1 – Construction Spread Overview Map
- Appendix 6 – South Dakota Agricultural Impact Mitigation Plan
- Appendix 7 – South Dakota Inadvertent Return Plan
- Appendix 11 – Route Alternatives
- Appendix 25 – SD County Setbacks

Q. What general principles were used to guide the selection of the pipeline route?

A. In developing the pipeline route, SCS sought to find a route that satisfied the overall purpose and need for the Project of safely and efficiently transporting CO_2 while also avoiding and minimizing long-term impacts to environmentally sensitive areas such as waterbodies, wetlands, wildlife habitats, and forest lands; avoiding and minimizing impacts to communities; selecting a route that parallels or utilizes existing, previously disturbed utility corridors, rights-of-way, or roads to minimize human and environmental impacts; and minimizing impacts and expenses by selecting the shortest most efficient route.

Q. How was the route selected and developed?

A. SCS employed an industry-accepted iterative routing framework for the development of the proposed route for the Project. The initial route was developed using PIVVOT, which is a Geographic Information System (GIS) based routing computer program. PIVVOT utilized inputs that included aerial imagery and publicly available and purchased datasets to produce a

preliminary route that collocated with existing utilities, avoided sensitive areas, minimized crossings of large waterbodies, and minimized impact on environmental features while avoiding populated areas to the extent practical. Input examples included existing infrastructure (e.g., pipelines, railroads, and powerlines); environmentally sensitive areas (e.g., critical habitat, wetlands, national wildlife refuges, state parks, and eligible sites under the National Register of Historic Places); and land use features (e.g., airports, cemeteries, schools, mines, and economic development areas).

Following the GIS evaluation, a desktop analysis using a 1,500-foot corridor was conducted by subject matter experts (e.g., environmental, cultural, engineering, construction) to determine additional opportunities to minimize impacts and to flag potential constructability issues. Further work was then ordered, including extensive civil and environmental field surveys (with landowner permission) to assist in the refinement of the proposed route. Finally, through a systematic and multi-disciplinary (e.g., environmental, cultural, land, construction, engineering) process, including consultation with landowners, communities, environmental agencies, and other stakeholders, a proposed route was developed.

The proposed route presented in this Application is the culmination of all the routing efforts that SCS has undertaken since the original development of the route proposed as part of the Project's initial permit application filed with the Commission on February 7, 2022 (Docket HP22-001). The proposed route supports the Project's needs and goals while maximizing the portion of the route placed on acquired parcels and with landowners that are supportive of the Project. This minimizes the potential need for eminent domain and avoids and minimizes impacts to environmental and culturally sensitive resources by maximizing the number of surveys that have been conducted to date.

Q. Did SCS consider input from landowners, agencies, and local government officials when developing its proposed route?

A. Yes. SCS has engaged with landowners in the route refinement process and is committed to continuing to work with landowners along the route to further minimize potential impacts and to maximize easement acquisition. The proposed route is reflective of SCS's desire to hear input from landowners. SCS has worked continuously with local governments since the inception of the Project. SCS representatives, including myself, have met with counties over the last three years to discuss not only the routing of the pipeline, but various other concerns as well. SCS will also apply for conditional use permits, where applicable, prior to construction. Several counties have

enacted ordinances that purport to regulate the Project, and SCS has considered those ordinances when developing its proposed route. More information on specific ordinances can be found in Table 3 of the Application.

In addition, SCS has considered state and federal agency input as well. Table 2 in the Application lists federal and state permits identified for the construction and operation of the Project within South Dakota. In addition to the valuable work already done with agencies and local government officials, SCS will contact applicable local regulatory agencies prior to any excavation, construction, and improvement activities to ensure the Project is compliant with such agencies' requirements. SCS will also apply for conditional use permits where applicable prior to construction. SCS has also worked with South Dakota Tribes when developing a proposed route. See Erin Salisbury's pre-filed testimony for more information.

Q. Did SCS consider other routes as it developed its proposed route?

A. Yes. As described in Section 4.2 of the Application, SCS considered a number of alternatives when it developed the proposed route.

Q. How will SCS handle route modifications/variations during the permitting process?

A. SCS is committed to continuing to work with communities, individual landowners, federal and state agencies, and other stakeholders along the route to minimize impacts to the natural environment, as well as land use conflicts. Minor route variations/modifications may be identified as the Project receives additional information from field surveys and valuable input from landowners and regulators. For example, route modifications may be required to further reduce environmental impacts as a result of field surveys, accommodate landowner-requested changes on how we cross their property, better collocate the centerline with existing utilities, and to the best of the Project's ability, find landowners that want the Project on their property. SCS is committed to ensuring that there are no new landowners introduced to the notice corridor from small route changes through the entirety of the permitting process.

Q. Please provide an overview of the construction process.

A. Construction can begin once all necessary regulatory permits, authorizations, and clearances are obtained. The general steps in the construction process are:

- Construction survey and staking;
- Clearing, grading, and site preparation;

- Topsoil segregation;
- Stringing, bending, welding, nondestructive examination, coating, and inspecting;
- Trenching and completing temporary drain tile repairs, where required;
- Lowering in of the pipeline, or completing trenchless crossings (HDDs and road bores);
- Backfilling the trench and permanent drain tile repairs;
- Hydrostatic testing and final tie-in;
- Cleaning and drying of the pipeline to a sufficiently low dewpoint; and
- Cleanup, restoration, and revegetation.

The pipelines will be constructed of high-strength carbon steel pipe, will range in size from 6- to 24-inch nominal diameter with a wall thickness ranging from 0.203 inches to 0.750 inches. Lines will be installed at a minimum of four feet (top of pipe) below the ground surface and will cross primarily agricultural lands. Areas to be cleared and graded will be flagged, including the pipeline right-of-way (ROW), aboveground facilities, access roads, and additional temporary workspaces (ATWS). The construction ROW width will be 100 feet wide for the pipelines with a nominal diameter of 6 to 12 inches and 110 feet wide for pipelines with a nominal diameter of 24 inches. Qualified inspection personnel will inspect all the construction activities to ensure that construction specifications and procedures are strictly adhered to by the construction contractors. Clearing and grading activities will be closely monitored to ensure the contractor stays within the authorized limits of disturbance. SCS will segregate topsoil after clearing is complete. The topsoil will be stockpiled and stabilized on the side of the ROW.

The pipe joints will then be delivered and strung out down the ROW. The pipe joints are welded together, 100% nondestructively examined, and then the welds are coated with epoxy. Next, the trench is cut to the required depth with the subsoil then stockpiled on the far side of the ROW. Trenching may occur in typical agricultural fields, crossings of wetlands, waterbodies, and other features. Trenching depth for pipeline construction will be sufficient to the minimum depth of cover requirements described in PHMSA requirements and/or landowner agreements. When cutting the trench, the subsoil will be placed on the opposite side of the ROW from the topsoil to prevent mixing of the two. Some features will be crossed with trenchless crossing methods (i.e., bore or horizontal directional drilling HDD, such as designated major or sensitive waterbodies, road crossings, grassland easements, and other features where surface disturbance is to be avoided or reduced. After lowering-in the pipeline, the trench will be backfilled with the previously excavated subsoil and then stabilized as soon as possible. After backfilling, deep ripping of the

subsoil across the entire ROW will occur to alleviate compaction before final placement of the topsoil. Final tie-ins are then completed, and hydrostatic testing of the pipeline will be conducted to comply with PHMSA pipe testing requirements in accordance with 49 CFR Part 195, Subpart E.

Following the cleanup procedure, restoration and seeding will begin. Land will be restored to pre-construction conditions and will remain suitable for farming, pasture, and recreation activities; however, there will be a 50-foot-wide permanent easement that will limit construction of surface structures after the Project is built. Aboveground facilities required to support the operation of the pipeline system will be installed and fenced. The surface sites will be designed and constructed to ensure the smallest practical footprint necessary to minimize the permanent surface impacts while also ensuring safe operations.

Q. **Please describe the additional temporary workspace requirements of the pipeline.**

A. SCS will nominally seek 50 feet of permanent operating easement plus up to an additional 60 feet of temporary easement along the route, depending on the pipe size and engineering requirements for site-specific conditions. Additional temporary workspace will also be required at various features and crossings such as other buried utilities, roads, streams, rail crossings, heavy side slope cuts, and such. The additional area will vary depending on the feature but some examples for medium diameter pipe sizes are: Bored highways and railroads - 75' x 30'; HDDs - 200' x 100' along with pull sections length plus 100' x 40'; minor roads - 100' x 25'; waterbodies 100' x 40'; buried feature crossings - 100' x 25'.

Q. How will the construction right-of-way be prepped for construction?

A. Agricultural areas with crops present will be mowed or disced to ground level unless the landowner is able to harvest the crop ahead of construction taking place. Bushes and trees will be felled or sheared to prevent damage to adjacent trees and structures. On agricultural lands, if trees are to be removed from the easement, SCS will consult with the landowner to determine if there are trees of commercial or other value to the landowner and will then remove the trees in accordance with the South Dakota Agricultural Impact Mitigation Plan (Application Appendix 6) (SD AIMP).

Q. How deep with the pipeline be buried?

A. The pipelines will be installed at a minimum depth of 48 inches from the top of pipe to the top of the topsoil, which exceeds the requirements set forth by PHMSA. However, there will be

other locations defined by either engineering/construction or local, state, and federal agencies where the pipeline will be deeper such as in HDDs, areas adjacent to wetlands or waterbodies, or in sensitive habitats.

SCS will also place the pipe deeper on landowners' properties to mitigate issues for both existing drain tile and future drain tile installations. SCS has worked directly with several landowners and their drain tile contractors to ensure the pipeline will be buried at a depth with adequate separation between the pipe and their future drain tile plans. This will allow their drain tile contractor to lay the tile right over the top of the pipe at a future date after the pipe is installed. SCS will go under all existing drain tile unless it is buried very deep.

Depth of cover surveys will occur post-installation of the pipeline to ensure that the depth of cover meets state and federal requirements.

Q. Will the Project require the use of water during construction?

A. Yes. SCS will purchase some water from municipalities while also obtaining permits for uptake from surface water sources for construction use (hydrostatic testing, HDD support, and dust control) to ensure the integrity of the pipeline while also mitigating disturbances to public such as in use for dust control measures. Purchase agreements with the municipalities will ensure that Project consumption does not impact the volumes required for public use. To minimize the water volume required to conduct hydrostatic testing, the Project will shuttle water between pipeline test segments for reuse wherever practical while also staying in line with water use or discharge regulations. Permitting of new surface water sources will follow all permitting stipulations and volume/rate of withdrawal requirements of South Dakota Department of Agriculture and Natural Resources permits. The two largest uses of water associated with Project construction will be the water required for conducting hydrostatic tests during the final phases of construction and for dust control. Water used for hydrostatic testing of the pipeline will be obtained from surface water resources, though alternative water sources may be identified. Water will also be used for dust suppression. The ground may be sprayed by watering trucks or sprinklers to control the dust. Water will also be required for HDDs; for pre-hydrotesting of HDD pull strings before they are pulled in and also for production of drilling mud. Water is mixed with naturally occurring drilling mud (e.g., bentonite clay) for drilling operation lubrication, hole stability and to remove drill cuttings.

Q. Will water be discharged after its use?

A. Yes. After use, water will be discharged in accordance with applicable requirements. SCS will obtain the necessary permits/approvals for water discharges, as discussed in the Application.

Q. How will SCS minimize impacts during construction?

A. SCS has conducted extensive work to date to avoid, minimize, and/or mitigate potential environmental impacts to air, water, soil, solid wastes, and various impacts to the communities during construction. Additional mitigations will be required as additional field surveys are conducted, which will further minimize impacts. SCS continues to conduct environmental surveys and prepare associated reports and is engaged in ongoing consultation with environmental and wildlife agencies to identify potential ways to further avoid or minimize impacts (e.g., reducing workspace, additional bores/HDDs, etc.).

Additionally, SCS has prepared an Environmental Construction Plan (ECP), which is included as Appendix 4 to the Application. The ECP describes best management practices (BMPs) that will be implemented to avoid, minimize, and/or mitigate impacts during construction. For example, the ECP includes procedures to reduce the occurrence of off-site sedimentation and erosion and to increase the success and efficiency of revegetation and restoration methods on lands crossed by the Project. The ECP also identifies generally recognized BMPs that will be implemented to minimize and mitigate impacts, particularly to wetlands, waterbodies, and agricultural areas. Mitigation measures for agricultural impacts include establishing original contours and drainage patterns after construction and other measures as described in the ECP.

The ECP also describes restoration measures that will be implemented. The ECP will be used in conjunction with the SD AIMP (Application Appendix 6), which will be implemented to minimize potential impacts to agricultural lands during and after construction. For example, impacts to hydrology will be mitigated through the use of erosion control measures and best management practices to reduce the rate of water flow and prevent scouring and erosion from runoff. Also, impacts to topsoil and crop yields will be mitigated greatly by stripping the topsoil during construction and by deep ripping the subsoil prior to replacing the topsoil at the tail end of construction.

Q. Will SCS conduct post-construction monitoring?

A. Yes. SCS is committed to protecting the natural and built environment and complying with all applicable laws, regulations, and standards. SCS will ensure environmental compliance during and after construction through environmental training, environmental inspections, and post-

construction monitoring. SCS will conduct post-construction monitoring of the Project area to minimize the potential for long-term adverse impacts to the environment. Post-construction monitoring may include inspections of disturbed non-cropland areas after the first growing season to determine the success of revegetation; monitoring of areas of wetland re-vegetation; and monitoring and inspection to ensure restoration methods of terraces are sufficient and that they are returned to their pre-construction elevation and condition. See Section 7.2 of the Application for a discussion of SCS's post-construction monitoring and maintenance programs.

Operations and maintenance programs such as vegetation management, pipeline maintenance, integrity surveys, or other programs may occur over the life of the Project.

Q. With respect to the use of existing local roads during construction, will SCS coordinate with local road authorities regarding the use and restoration of those roads?

A. Yes. SCS will negotiate road haul agreements with local road authorities for the use and restoration of local roads, as needed. SCS will also provide a single road bond to the Commission in accordance with SDCL § 49-41B-38.

Additionally, SCS plans to conduct both pre- and post-construction videography of all haul roads, which will be shared with the local road authorities. This will help both SCS and the local road authorities in identifying areas that may need to be repaired after construction takes place.

Q. What are the anticipated impacts to roads?

A. Public and private roads will be utilized to access the Project sites. Generally, most roads will be adequate for the type of equipment and trucks that will be utilized for the construction of the pipeline. Some roads may require modification or improvements to facilitate safe access for construction equipment and personnel. The Project may require the construction of new temporary roads to provide access during construction and potentially new permanent roads for future operational and maintenance access to the facilities. Nearly all paved roads will be bored with the pipe being installed with trenchless methods resulting in no surface impacts. Where the open cut method is used, which is at very few locations, the roads will be restored to their original condition or better.

Q. What are the Project's anticipated permanent impacts?

A. The Project has been designed to minimize permanent impacts. Permanent impacts are only anticipated at aboveground facility locations (i.e., pump stations, launcher and receiver sites, mainline valve sites, and the permanent access roads to access such permanent facilities), which

will be fenced and removed from current use (approximately 40.6 acres). Following construction, lands impacted by construction will be restored to pre-construction conditions and existing agricultural activities will be allowed to resume, except at permanent aboveground facility sites. The pipeline will be installed to provide a minimum of 48 inches depth of cover over the top of the pipe and will not interfere with normal agricultural operations.

Q. What are the Project's anticipated temporary impacts to local communities during construction?

A. Leading up to and during the construction efforts, the Project is expected to create positive impacts to the local economy, including commercial and industrial businesses in the area. Local businesses, such as restaurants, grocery stores, RV parks, hotels, and gas stations would see increased business during this phase from construction-related workers. Local industrial businesses, including construction materials suppliers, equipment suppliers and maintenance services, and others are also likely to benefit from the construction of the Project.

It is expected that non-local workers will use temporary housing, such as hotels, RV parks, and campgrounds. There appears to be an adequate amount of available housing units in the Project area for construction workers, especially considering the use of union contractors, who will hire temporary construction personnel from local communities. The Project will use minimal electrical power to support construction activities. An increase in water/sewer utilization and solid waste management is also expected due to the influx of construction workers, but the current infrastructure should be sufficient to support the additional use. There is no expected impact on schools.

The impacts on recreational opportunities during construction are expected to be minor if they exist at all. To the extent construction of the Project may temporarily limit access to specific areas used for public recreation, hunting, fishing, or boating, SCS will work with South Dakota Game, Fish and Parks (SD GFP), as well as the appropriate county highway department or other agencies, to communicate its plans and to minimize any temporary impact to the public.

Q. What effects are anticipated on surrounding land from operation or construction of the pipeline?

A. Little to no effects are anticipated outside of the construction footprint on surrounding land.

Q. Will the Project participate in the South Dakota One-Call program during construction?

A. Yes, the Project will belong to and utilize the 811 One-Call system, which is a nationally recognized system to prevent third party damage to underground facilities. Prior to any excavation, individuals and contractors are required to call the 811 One-Call center to provide information specific to the area of planned excavation. SCS' contractors will utilize this process before they start any construction along the route. The One Call program will require all third parties with utilities along or near the planned construction locations to mark the location of their utilities ahead of any excavation activities by SCS' contractors.

Q. What other methods will the Project utilize to locate underground utility lines?

A. There are a variety of methods to identify and locate underground utilities outside of the One Call system. Locating of third-party utilities starts with a variety of publicly available databases to locate pipelines, waterlines, drain tile, communication lines, and powerlines. Field surveys are also conducted where crews look for signs of buried utilities which may include roadside markers and clear right-of-way. In addition, SCS receives feedback from Landowners, Counties, and title research to identify additional third-party utilities. Once a foreign utility operator is identified, SCS will notify the foreign utility operator of the crossing and work collaboratively to identify any additional crossings that may exist.

After the One Call process and ahead of any excavation activities, during construction, SCS' contractors will walk the pipeline route to conduct a "4-way sweep" of the ROW to add another level of safety before digging begins. The 4-way sweeps will help to identify pipelines where the operator failed or incorrectly marked their lines, location of unidentified pipelines, or where out-of-service or abandoned lines may be buried. Lastly, during construction, SCS' contractors will have a "potholing crew" who will use hydro excavation to daylight and positively identify the location and depth of all located foreign pipelines and other infrastructure. SCS will coordinate, when possible, with foreign utilities when completing physical crossings to ensure they may have an on-site damage prevention representative if they choose.

Q. Can you describe what the Project plans for restoration after construction?

A. SCS has submitted the ECP (Appendix 4) and the SD AIMP (Appendix 6) which both contain BMPs detailing how the restoration activities will be conducted, but a brief overview is listed below.

During grading activities, the topsoil will be stripped and stockpiled on the edge of the ROW. When the ditch is cut, the subsoil will be placed on the other side of the ROW, which will prevent mixing of the subsoil and topsoil. Both piles will be stabilized, as required.

Agricultural and pastureland compacted by heavy project equipment, including off ROW access roads, will be deep tilled to alleviate soil compaction upon completion of construction on the property. Tillage will precede replacement of topsoil.

Rutted land will be graded and tilled until restored as near as practical to its pre-construction condition. Rutting will be remedied before topsoil is replaced. Excess rocks larger than three inches in average diameter will be picked and removed from the ROW. The slope, contour, grade, and drainage pattern of the disturbed area will be restored as nearly as possible to its pre-construction condition. However, the trench may be crowned to allow for anticipated settlement of the backfill. SCS will remediate areas of excessive or insufficient settlement in the trench area which visibly affects land contour or undesirably alters surface drainage. Disturbed areas where erosion causes excessive rills or channels or areas of heavy sediment deposition will be re-graded as needed. On steep slopes, methods such as sediment barriers, slope breakers, or mulching will be used as necessary to control erosion until vegetation can be reestablished.

Additionally, SCS will perform post-construction monitoring and inspection to ensure restoration is sufficient (See Section 7.0 of ECP and Section 7.2 of the Application). SCS will warranty construction work and will address post-construction deficiencies that are identified either from landowner contact, through aerial patrols, or ROW inspections.

Q. How will the Project cross major or sensitive water crossings and other features where surface disturbance is to be avoided or reduced?

A. The Project will use HDD and bore crossing methods where necessary. A typical configuration of an HDD crossing is provided in Appendix B of the ECP (Appendix 4). Construction of the HDD method includes staging the drilling equipment on one or both sides of the stream/river/feature and the made-up pipe string for the crossing length on the other side. After the annulus has been reamed to a sufficiently large diameter and the pipe string is welded, the string pipe will be pulled through the hole to complete the crossing.

Q. What is an Inadvertent Return Plan and does the Project have one?

A. An Inadvertent Return Plan outlines operation procedures and responsibilities for prevention, containment, and clean-up of inadvertent returns associated with the HDD process. SCS submitted a South Dakota Inadvertent Release Plan with the Application as Appendix 7.

Q. How will the Project reduce and mitigate noise impacts during construction?

A. Ambient (background) noise levels occur from roadway traffic, farm machinery on a seasonal basis, pets, and various other household noises. The Project will produce ambient noise levels comparable to ambient levels and sources (e.g., agriculture equipment) during construction for populated places within 1,000 feet of the Project and localized during operations for populated places and residences within 500 feet.

Construction equipment will be properly muffled and maintained. Temporary sound barriers may be erected between HDD operations and any noise-sensitive receptors. SCS will work with landowners who are close to the HDD operations to inform them of the construction activities and potential noise impacts to determine other measures that may be needed to mitigate impacts during drilling operations.

Q. Please describe how third-party inspectors will be utilized on the project.

A. SCS will utilize third-party inspection to independently verify that the pipeline is being built according to all applicable codes, procedures, specifications, and permits. The inspectors will ensure safe construction practices are being utilized while also overseeing critical construction activities such as topsoil stripping, welding, nondestructive examination, coating, HDD operations, drain tile repairs, hydrotesting, drying, and reclamation. They will ensure that any specific construction-related agreements in the landowner easements are strictly adhered to by the contractor. Material inspection will be another key aspect of their scope.

Q. Does the Project intend to perform air quality mitigation measures?

A. The Project plans to use low-emitting equipment for the majority of all major construction equipment, and all equipment will be properly maintained. SCS will also commit, when possible, to using tarps or dust covers when transporting materials with significant dust content. Lastly, SCS will minimize the idling of construction equipment and diesel-powered vehicles to reduce exhaust emissions.

Q. Please provide a general overview of the Project route from a land use perspective.

A. As discussed in further detail in Section 5.5 of the Application and the Direct Testimony of Dr. Jon Schmidt, the Project will cross primarily agricultural lands (row and non-row crop, pastureland, and rangeland/hayland). No SD GFP Walk-In Areas or Conservation Reserve Enhancement Program parcels have been identified within the Project footprint. SCS is working with landowners to identify parcels or portions of parcels that are within a Conservation Reserve Program (CRP) or other conservation programs. SCS is currently working directly with the U.S. Department of Agriculture (USDA) to ensure that all USDA conservation parcels along the Project route are identified and that the construction of the Project will not result in any landowners being penalized under the conditions of their easement contracts. SCS will work with the USDA and landowners on the crossing of any easement to either ensure that the reclamation meets the easement requirements or provide the landowner with compensation to reimburse the federal government.

Q. Has the Project completed any analysis regarding the existing land use category along the proposed route?

A. Yes. The Project has complied public data available at the time of the application which included land cover classifications from the National Land Cover Database. That information can be seen in Tables 15 and 34 of the Application.

Q. Will the Proposed Route affect existing land uses?

A. The predominant land use across the Project is agricultural (83% of the footprint), which the Project has minimal long-term adverse effect on. See the testimony of Aaron DeJoia for additional details related to the reclamation of agricultural lands. The pipe will be buried to a minimum depth of four feet as to not interfere with normal agriculture operations. Construction will impact some developed and barren land, forest and scrub/shrub, grassland, some waterbodies, and wetlands. There will be approximately 5.8 miles of permanent access roads that will be built to access pump stations, launcher and receiver sites, and MLVs and will connect to existing roads.

Q. How does the Project intend to mitigate and avoid impacting existing land uses?

A. During the construction process, SCS intends to mitigate and avoid impacts to land uses by utilizing the procedures outlined in the Application in the ECP (Appendix 4) and the SD AIMP (Appendix 6). This includes clearing vegetation, topsoil segregation, grading, and backfilling. The impacts of construction will be greatest during and immediately following construction. Generally,

once the pipeline is in place, wetland vegetation and other vegetation communities will function similar to pre-construction conditions.

Areas that have been cleared of vegetation are expected to recover in one to three growing seasons after construction is completed, sooner if in row crop production.

Q. **How does the Project intend to minimize impacts to drain tile during and after construction?**

A. SCS understands that drain tile can be one of the largest investments landowners put into their land. Understanding the importance of tile, SCS will partner with experienced, reputable drain tile contractors to execute the drain tile portion of the scope of the Project.

Ahead of construction, SCS will acquire drain tile maps and documentation from affected landowners to assist with routing and construction planning. The drain tile maps will be digitized and overlaid on our GIS platform. Drain tile subject matter experts have been and will be available to answer any drainage related questions from landowners, local government agencies, or other stakeholders. During the easement negotiation process, SCS has worked with landowners on depth of cover changes to mitigate existing and future tile issues. For example, we can place the pipeline deeper so that the landowner will be able to construct their tile system over the top of the pipeline post pipeline construction with adequate clearance, assuming they call 811 and coordinate the installation within our easement with their contractors.

During construction, drain tile contractors will be with the ditching crews to ensure immediate temporary repairs of flowing tiles are made once they are cut. They will also be present at the tail end of construction to ensure that permanent repairs are made. Before the final repairs, the drain tile across the entire width of the ROW will be probed or scoped to ensure that no drain tile has been crushed during the construction process. All drain tile repair locations will be georeferenced with photo documentation and GPS locations.

Lastly, SCS has committed to an indefinite warranty, as it pertains to drain tile, for all landowners on our pipeline route.

Q. What steps will SCS take to avoid, minimize, and/or mitigate potential impacts to the existing land uses?

A. The Project is compatible with the existing land uses, which are predominantly agricultural. The Project's construction footprint has been designed to minimize impacts, such that only approximately 9,284.1 acres will be temporarily impacted during the construction of the Project;

of this, approximately 7,707.7 acres (83 percent of the total) will be on agricultural lands (row and non-row crops in rotation and pasturelands and rangelands/haylands). The Project has been designed to minimize permanent impacts. Following construction, lands impacted by construction will be restored to pre-construction conditions and existing agricultural activities will be allowed to resume, except at permanent aboveground facility sites (i.e., pump stations, launcher and receiver sites, MLV sites, and associated permanent access roads). The pipeline will be buried to a will be installed at a minimum depth of 48 inches from the top of pipe to the top of the topsoil and will not interfere with normal agricultural operations.

Permanent impacts are only anticipated at aboveground facility locations that will be removed from current use and fenced. Permanent impacts from pump stations, launcher and receiver sites, MLV sites and associated permanent access roads will affect only 40.6 acres. As a result, the Project allows landowners to diversify their operations with minimal disruption to existing uses. Additionally, SCS has designed the proposed route to avoid surface impacts to all U.S. Fish and Wildlife Service (USFWS) grassland and wetland easements. SCS will continue to coordinate with USFWS on any potential issues that may arise.

Q. Is the Project anticipated to impact existing water or air quality during construction?

A. No. As discussed in Sections 5.6 and 5.7 of the Application, no material impacts to existing water or air quality are anticipated.

Q. Based on the analyses SCS has conducted, has the Project been sited so as to minimize potential human and environmental impacts?

A. Yes. As detailed in the Application, my direct testimony, and other witnesses' testimony, the Project has been thoughtfully designed and routed to avoid and/or minimize human and environmental impacts to the greatest extent practicable. The Project makes efficient use of available land while minimizing adverse human and environmental impacts.

Q. Will the Project be designed, constructed, and operated in compliance with all applicable federal, state, and local regulations?

A. The Project will comply with all federal and state regulations. There are six county ordinances that SCS will request the Commission to exercise its authority under SDCL 49-41B-28 to preempt and supersede as unreasonably restrictive. The six ordinances include ordinances in Brown, Edmunds, McPherson, Minnehaha, Sanborn, and Spink counties. Other than those

specific county ordinances, the Project will be constructed and operated in compliance with all local regulations.

Q. You have testified to how SCS has routed the proposed pipeline and how the Project will be constructed. For each of the six ordinances, can you describe how they purport to regulate the route and constructability of the proposed pipeline?

A. I will address each county's ordinance separately:

I. Brown County Ordinance

The Brown County ordinance mandates a minimum 1,500-foot setback from parcel property lines of properties that have schools, daycares, churches, residential dwellings, or any structure that has residential living quarters within. Considering the width of a typical quarter section of land and the setback being from the parcel property line, this setback results in a buffer that is more than a mile wide in most circumstances, and more in certain cases. The ordinance does allow waivers for the setback, but each individual waiver is subject to approval by the Zoning Board of Adjustment after review of the project location, area, size, and property use. The Zoning Board of Adjustment may also reduce the minimum setback for the Project after review and approval of the waivers and submission of Project plans to the Zoning Board of Adjustment if the Project applies for a conditional use permit.

II. Edmunds County Ordinance

The Edmunds County ordinance mandates setbacks of a 1/2 mile or 2,640 feet from schools, daycares, churches, residential dwellings, livestock facilities, or any structure that has residential living quarters within. It also mandates setbacks for county defined High Consequence Areas (HCAs) of 1 mile to the parcel property line and mandates setbacks of 500 feet for wells that are not located or adjoining any residential structure. Edmunds County defines HCAs as all municipalities as defined in SDCL 9-2-1, lake front residential properties, and town districts. Edmunds County does not offer the option of applying for a waiver or setback variance for an HCA; therefore, siting of the Project is excluded within the HCA setback area.

The ordinance also regulates the depth of cover for a variety of surfaces, including bottoms of ditches, maintained drivable surfaces, and non-maintained drivable surfaces.

III. McPherson County Ordinance

McPherson County's ordinance is wide-ranging and regulates many aspects of the Project. In addition to other requirements, the McPherson County ordinance regulates the location of the pipeline by creating various setbacks. There is a one-mile setback from any occupied dwelling, mobile home, or manufactured home, a 500-foot setback from any adjoining property line of a non-participating landowner, and a 1,000~~-foot~~ setback from any water well documented with the South Dakota Department of Natural Resources through a Water Well Completion Report. There is a setback for all pump stations or related facilities of 1,000 feet from any public right of way and at least 500 feet from any property line. In addition to setbacks, the ordinance requires at least a six-foot depth of cover from the ground surface to the top of the pipe and also regulates where pump stations and any related facilities can be located. It requires various annual fees and application fees for the Project. It also requires initial baseline water testing for all water wells within 1,000 feet of the Project and in subsequent years, water testing those same wells to compare to the baseline. It also regulates the decommissioning of the Project.

IV. Minnehaha County Ordinance

Minnehaha County's ordinance has various setback requirements for certain types of parcels. Dwellings, churches, and businesses have a 330-foot setback requirement from parcel property lines of parcels that have applicable structures, which generally amounts to a 3,300-foot-wide buffer for a typical quarter section parcel. Public parks and schools have a 1,000-foot setback requirement from the property line, which generally amounts to a 4,600-foot-wide buffer of a typical quarter section parcel. For a population center with 5,000 people or more, the setback distance is 1 mile (5,280 feet). For a population center with a population between 500 and 5,000 people, the setback distance is 3/4 of a mile (3,960 feet). For a population center with a population of less than 500 people, the setback distance is 1/2 mile (2,640 feet). In addition to setbacks, the County requires a filing fee of $25,000 for a conditional use permit application and an annual fee of $300 per linear mile of pipeline with the county if the conditional use application is granted. The County also has various requirements to apply for a conditional use permit for the Project.

V. Sanborn County Ordinance

Sanborn County imposes 1,500-foot setbacks for dwellings, churches, businesses, public parks, schools, cities, towns and unincorporated areas, and animal confinement facilities of less than 999 animal units. Sanborn County also requires the Project to apply for a building permit and

conditional use permit to the County Zoning Administrator. The ordinance outlines the required documents and information that is required with the application.

In addition to setbacks, the County requires a filing fee of $25,000 for a conditional use permit application and a pipeline surcharge of $1.00 per linear foot of installed pipeline during any year which the Project claims a tax credit pursuant to 26 USC § 45Q (January 1, 2024, or as amended).

IV. Spink County Ordinance

Spink County's ordinance requires a setback of a 1/2 mile, or 2,640 feet, from the parcel property line of parcels with a school, daycare, church, residential dwelling, livestock facility, or any structure that has residential living quarters within. This established setback effectively creates a nearly 8,000-foot wide buffer when considering a typical quarter section property. It also requires a setback distance for county-defined High Consequence Areas of 2 miles. Spink County defines High Consequence Areas as structures containing 10 or more persons with limited mobility such as nursing homes, hospitals, and structures with permitted occupancies of 100 or more persons, such as schools, churches, shopping and entertainment facilities. Notably, after multiple requests by SCS, Spink County could not or would not give the Project a list of where these permitted occupancies are located. Additionally, Spink County does not offer the option of applying for a waiver or setback variance for an HCA; therefore, siting of the Project is excluded within the HCA setback area.

Spink County also requires the Project to apply for a conditional use permit and provide a variety of information to the County through that process.

Q. Why are each of the ordinances unreasonably restrictive when it comes to routing and constructability of the pipeline?

A. Pipeline routing is an iterative process, requiring that SCS consider many factors, including the location of grassland easements, high consequence areas, environmentally sensitive areas such as wetlands, areas not conducive to pipeline construction, the location of wildlife habitat and the presence of threatened or endangered species, cultural resources, parks, cemeteries, water wells, and occupied residences, to name a few. In addition, a pipeline route best mitigates impacts, all things being equal, by traversing the shortest possible distance and affecting the fewest possible landowners. In addition, SCS has already obtained many voluntary

easements and conducted hundreds of miles of surveys for the pipeline route determined as part of its previous application. SCS also considered these easements in its current routing process.

Another critical factor for the majority of the ordinances considering the width of the buffer, and the fact that the setback is from the property line, is that the ordinances effectively require that we obtain waivers from non-participating landowners who may have the pipe in some circumstances over a mile from their house, place of business, etc. The setbacks being from property lines also effectively hands over control of what a landowner can do with their own property to their neighbor, or multiple neighbors. For example, if a landowner wants us to run down their property line, they no longer have that opportunity if their neighbor has an applicable structure on theirs and isn't willing to sign a waiver for the pipeline, which in many circumstances is thousands of feet away from their actual dwelling or applicable structure. The county ordinances at issue are an additional factor, but not the only factor, that SCS has considered in routing the proposed pipeline. Each of the ordinances presents its own set of restrictive issues, and I have detailed below how each of the six ordinances affects the routing of the pipeline.

I. Brown County Ordinance

Brown County's ordinance setback distance of 1,500 feet from the property line effectively creates a one-mile-wide buffer when considering a typical quarter section property. Although a compliant mainline route is plausible with numerous route variances, there are a number of associated challenges that come along with it. Those are outlined below:

- The setback requirements effectively change the entire route in Brown County. The current proposed route has over three years of development, relationship building with landowners, incorporating reroutes to move the pipeline on favorable landowners and to preferable locations on their properties, engineering, and surveys that is wasted if the Project is forced to comply.

- A compliant route, that is able to serve the POET Groton ethanol plant would increase the amount of 24-inch mainline pipe in Brown County by 58 miles.
- A compliant route introduces 210 new parcels and 129 new landowners to the Project that would have otherwise been unaffected, several of which are in Edmunds County.
- SCS has surveyed roughly 55% of the route in Brown County. A compliant route would drop the percentage to zero.
- A compliant route would negate roughly 8 miles of acquired easements on 14 landowners across 20 parcels and drop the acquisition percentage to zero.

- The setback requirements preclude any pipeline, along any route, from connecting to the Glacial Lakes Energy (GLE) ethanol plant in Aberdeen.
- The setback requirements force the pipe on a large quantity of strongly opposed landowners that are not currently impacted.
- The setback requirements remove land rights for Brown County landowners by dictating where on their property the pipeline can be located, sometimes to the detriment of the landowners. It also requires in many cases that the participating landowner receive permission from one or more of their neighbors to place the pipeline on their property at all.

- Although there is technically a compliant route for the mainline through Brown, when looked at in conjunction with the ordinances in both Spink and Edmunds County, they together effectively remove four ethanol plants from the Project: Glacial Lakes Mina, Glacial Lakes Aberdeen, Redfield Energy, and Ringneck Energy.

- A compliant route adds a large number of large waterbody crossings that would require HDDs that would not be otherwise included in the Project. These additional crossings include:
    - Three crossings of Mud Creek
    - 5,200-foot long HDD of Crow Creek Drainage Ditch
    - 3,300-foot long HDD for a large wetland crossing west of County Highway 18
    - 5,800-foot long HDD to cross the James River
    - 3,400-foot long HDD to cross the Elm River
    - 4,500-foot long HDD of Richmond Lake

For SCS's proposed route, which SCS has been working with landowners on for over three years now, it would require fifty-one waivers to become compliant with the ordinance, many of which are required from nonparticipating landowners (i.e., the Project is not located on their property). It also would require SCS to seek waivers from landowners who have already signed easements. SCS has sought to acquire waivers from participating landowners with little success, as the landowner has little incentive to sign the waiver as they've already been paid in full for their easement.

II. Edmunds County Ordinance

Edmunds County's ordinance setback distance is one-half mile, which is over fifty times the PHMSA minimum requirement. It also mandates setbacks for county-defined High

Consequence Areas (HCAs) of 1 mile to the parcel property line. These county-defined HCAs do not reflect PHMSA's definition of an HCA as listed in 49 CFR 195.450. Although there is technically a compliant route through the county, there is a long list of reasons why the route is unreasonably restrictive and impractical. Those are outlined below:

- The setback requirement effectively changes the entire route in Edmunds County, outside of the northernmost three miles of the proposed route. The proposed route has over three years of development, relationship building with landowners, engineering and surveys that is wasted if the Project is forced to comply.

- The setback requirement forces the Project on a large quantity of strongly opposed and vocal landowners that are not currently crossed by the Project route. SCS specifically routed off these landowners, at their request in some instances, but would be forced to move back onto their property.

- A route that is compliant with the ordinance would increase the mileage of pipe in Edmunds County from approximately twenty-six miles to nearly thirty-six miles, which is a 10 mile or 38% increase from the proposed route. The additional pipe would introduce approximately 90 new parcels and more than 50 new landowners to the Project who would not have been involved otherwise.

- SCS has acquired more than 75% of the easements (around twenty miles of easements) in Edmunds County with twenty-seven landowners across forty-seven parcels. The ordinance would negate 85% of the signed easements and drop the acquisition percentage for the county down to 9% due to the increased mileage and new routing in the county.

- An ordinance compliant route would drop the survey percentage from nearly 90% to less than 10%. This adds the risk that even a compliant route for the ordinance would need to change considerably after surveys are conducted.

- The ordinance changes the entry point from Brown County, which further complicates trying to navigate a compliant route with Edmunds County, which is sandwiched between two counties with differing and competing ordinances (McPherson and Brown).

- The ordinance introduces several constructability and routing concerns including:

- Routing constraints navigating the large quantity of USFWS grassland and wetland easements in Edmunds County, as SCS has committed to no surface disturbance of these easements.

- The ordinance forces the pipe onto a number of saturated wetlands and low spots, which adds risk to the construction and operation of the pipeline.

For SCS's proposed route, which SCS has been working with landowners on for over three years now, it would require twelve waivers to partially comply with the ordinance. In fact, there is no way to be fully compliant with the existing route due to their HCA setback requirement not having any waiver opportunity. To salvage any portion of the existing route, waivers would be required from both non-participating landowners and landowners that have already signed easements, some nearly three years ago. Obtaining waivers from nonparticipating landowners, and those who have already been paid in full, has proven to be very difficult, if not impossible, especially considering you would need every single waiver to try and navigate the ordinance. SCS has sought to acquire waivers on signed landowners with little success, as the landowner has no incentive to sign the waiver as they've already been paid in full for their easement.

III. McPherson County Ordinance

McPherson County's ordinance setback distance is one (1) mile from an occupied dwelling, mobile home, or manufactured home, which is over one hundred times the PHMSA minimum requirement and the most-restrictive setback in South Dakota. In addition, the pipeline is not allowed to pass within five hundred (500) feet of an adjoining property line of a non-participating landowner. Due to these setbacks, a compliant route would be nearly impossible to navigate and introduce the following concerns to the Project:

- The setback requirements force the pipe on a large quantity of new landowners that are not currently impacted, some of which are known opponents of the project.
- The setback requirements would effectively change the entire route in McPherson County, which has three years of development, relationship building with landowners, reroutes to move the pipe on to favorable landowners, engineering, and surveys.
- SCS would need to reapply for a permit through the North Dakota Public Service Commission due to route changes required for a compatible route entering into McIntosh and Dickey County.
- A compliant route would increase wetland impacts compared to the proposed route.

- A compliant route adds multiple large HDDs on USWFS grassland easements that would be otherwise avoided.
- A compliant route requires additional aboveground facilities due to increased length.
- A compliant route negates 11 miles of easements on 19 landowners across 28 parcels. An ordinance compliant route would drop the acquisition percentage in McPherson County to zero.
- SCS had surveyed 64% of the route in McPherson County. An ordinance compliant route would drop the survey percentage to zero.
- A compliant route introduces 197 parcels and 85 landowners to the Project that would have otherwise been unaffected, 108 parcels and 46 landowners of which are in North Dakota, where a route has already been approved.

For SCS's proposed route, which SCS has been working with landowners on for over three years now, it would require forty-nine waivers to become compliant with the ordinance, many which are required from nonimpacted landowners. It also would require us to seek waivers from landowners who have already signed easements. We've sought to acquire these waivers with little success, as the landowner has no incentive to sign the waiver as they've already been paid in full for their easement.

IV. Minnehaha County Ordinance

Minnehaha County's ordinance's setback distance at first may seem reasonable at "only" three hundred and thirty feet. However, that distance is from the property parcel line, which effectively creates a buffer of ten times that width for a typical quarter section property. Although there is technically a compliant route, there are a number of associated challenges that make it unreasonable. Those are outlined below:

- A compliant route forces the pipeline on, with no opportunity to avoid, a large quantity of strongly opposed and vocal landowners that are not currently crossed by the Project. These same landowners were part of the Dakota Access Pipeline.
- A compliant route effectively changes the entire route in Minnehaha County (outside of a few miles), negating three years of development, relationship building with landowners, reroutes to move the pipe off of opposed landowners and onto more favorable locations for participating landowners, surveys, and engineering design.
- A compliant route increases the length of the 24-inch mainline by around three miles, with all the additional pipe length added in Turner County, an adjacent county in which neither

county leadership nor county landowners had a say in the creation or passing of the Minnehaha ordinance.

- A compliant route would increase wetland impacts compared to the proposed route.
- A compliant route would add several large waterbody and grassland easement HDDs including Festerman Slough, which would be avoided otherwise.
- SCS has acquired over 52% of the easements (around 16 miles of easements) in Minnehaha County with thirty-four landowners across forty-six parcels. The ordinance would negate more than 80% of the signed easements and drop the acquisition percentage for the county down to 12%.
- SCS has surveyed 84% of the current route in Minnehaha County. A compliant route would drop the survey percentage of the route down to 12%.
- A compliant route introduces 88 new parcels and 64 new landowners to the Project that would have otherwise been unaffected, 10 of which are in Turner County.

For SCS's proposed route, which SCS has been working with landowners on for over three years now, it would require thirty waivers to become compliant with the ordinance, many which are required from nonimpacted landowners. It also would require SCS to seek waivers from landowners who have already signed easements and been paid in full for those easements. SCS has sought to acquire many of the waivers on signed landowners with little success, as the landowner has no incentive to sign the waiver as they've already been paid.

V. Sanborn County Ordinance

The Sanborn County ordinance, with a setback of one thousand five hundred feet from the applicable structures, is generally the least restrictive of all six of the ordinances. There are several reasons this is true: there is no ethanol plant in Sanborn County (the plants are generally located in populated areas), the county itself is not very densely populated, and the setback is from actual structures and not the property parcel line. All of these factors make the Sanborn County ordinance less restrictive to navigate. The current pipeline route only requires two waivers, both of which are for landowners that appear to be in favor of the Project. A compliant route is possible, but it would result in the following negative consequences:

- A compliant route would introduce strongly opposed landowners that are not currently impacted by the proposed route.
- A compliant route increases the total number of affected parcels and landowners.
- A compliant route moves the pipeline route closer to multiple residential properties.

- A compliant route increases the overall pipeline length.
- A compliant route also adds multiple additional miles in Davison County, an adjacent county that had no say in the creation or passing of the Sanborn County ordinance.

- **IV. Spink County Ordinance**

Spink County's ordinance setback distance is one half mile from the property line, creating a nearly eight-thousand-foot-wide buffer for a typical quarter section property. This setback alone makes the ordinance nearly impossible to navigate. When it is coupled with the two-mile HCA buffer (with HCA defined as properties permitted for occupancies of one hundred or more, or properties with occupants with limited mobility with occupancies of ten or more), the setback becomes even more difficult to navigate, if not impossible based on SCS' preliminary analysis. This analysis cannot be finalized, however, as Spink County has been unwilling or unable to provide SCS the location of these "permitted occupancies" as defined within their ordinance. If you consider just the one-half mile setback from a property line, there is technically a compliant route. However, there are a number of reasons that it is unreasonably restrictive and impractical:

- The setback requirements for a compliant mainline route would preclude any pipeline, along any route, from connecting to the Redfield Energy ethanol plant in Redfield.

- A Spink-compliant route forces the pipe to enter a location in Brown County that makes it impossible to get to the Glacial Lakes ethanol plant in Aberdeen when looked at in conjunction with Brown County's ordinance.

- The setback requirements for a compliant mainline route would cut off the Ringneck Energy plant in Sully County from the Project. Under the county's ordinance there would not be a compliant route option from the mainline that would be able to exit the west side of Spink County to route the Project towards the Ringneck Energy plant.

- The setback requirements effectively changes the entire route in Spink County; negating over three years of development, relationship building with landowners, reroutes to move on to favorable landowners, engineering and surveys.

- A compliant mainline route in Spink would impact the route in multiple adjacent counties, changing the exit location out of Beadle County and the entry location into Brown County, ultimately transferring additional pipe into those counties and onto Beadle and Spink County residents who would have otherwise not been impacted.

- Ultimately, a Spink County compliant route, when coupled with a Brown and Edmunds County compliant route, eliminates four ethanol plants from the project: Glacial Lakes Aberdeen, Glacial Lakes Mina, Redfield Energy, and Ringneck Energy.

- A Spink County ordinance compliant route forces the pipeline on several strongly opposed and vocal landowners that are not currently impacted.

- The setback requirements remove land rights for Spink County landowners by dictating where on their property the pipeline can be located, sometimes to the detriment of the landowners. It also requires in most cases that the impacted landowner receive permission from one or more of their neighbors to place the pipeline on their property at all.

- SCS had at one point acquired more than 75% of the easements in Spink County. However, in an effort to improve the ROW acquisition percentage and to remove as many opposed landowners as possible, SCS did implement a reroute in the northern part of the county. That effort has been very successful, but it resulted in the acquisition percentage dropping to around 54% on the new route until those easements can be secured. With that said, a route that is compliant with the ordinance would negate 100% of the signed easements and drop the acquisition percentage for the county down to 0%.

- A compliant mainline route in Spink would introduce 108 new landowners to the Project, affecting 162 new parcels in both Spink County and Beadle County, landowners who otherwise would not have been involved otherwise.

- A compliant route would drop the survey percentage from approximately 75% complete to 0%.

- There is no waiver process for the two-mile setback for the HCA locations. SCS is essentially blind in any attempt to comply with this requirement, as Spink County has not been willing to disclose where these locations are located.

For SCS's proposed route, which SCS has been working with landowners on for over three years now, it would require seventy-three waivers to become compliant with the ordinance, most of which are required from nonimpacted landowners. It also would require SCS to seek waivers from landowners who have already signed easements and been paid in full for those easements. SCS has sought to acquire waivers in Spink County on signed landowners with little success, as the landowner has no incentive to sign the waiver as they've already been paid in full for their easement.

Q. Does this conclude your direct testimony?

A. Yes.

Dated this 19th day of November, 2024.

/s/ Erik Schovanec

Erik Schovanec