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Megaloads route work shifts into high gear

By JOHN S. ADAMS Tribune Capitol Bureau • November 15, 2010

HELENA — Millions of dollars worth of utility relocation work already is complete along the planned route of an oversized load transportation corridor, even though the Montana Department of Transportation has yet to complete its environmental review for the proposed project.

Canadian oil giant Imperial Oil, a subsidiary of ExxonMobil Canada, planned to begin trucking 207 massive South Korean-built bitumen processing m odules from Idaho's Port of Lewiston to Montana's Port of Sweetgrass starting last month. However, the company still is awaiting the necessary permits from authorities in Idaho and Montana to begin transporting the machinery.

That hasn't stopped the company from moving forward with construction work to prepare for the big move.

Officials with several electric utility companies along the route said last week that they completed a substantial portion of the utility relocation work required by the big loads. In most cases, that involved burying power lines that crossed the highway, and in other cases it involves raising lines so the giant modules, some reaching heights of more than 30 feet, can safely pass underneath.

The modules are bound for the Kearl Lake tar sands region in northern Alberta, where they will be assembled to create a processing plant to turn viscous bitumen, a tar-like petroleum product, into crude oil.

The transportation of the giant machines has been held up in Idaho by a challenge to a smaller-scale transportation project proposed by ConocoPhillips

ConocoPhillips wants to haul four massive oversized loads of refinery equipment along scenic U.S. Highway 12 in northern Idaho to its refinery in Billings, but the machines can't roll along the curvy roadway until opponents of the shipments have had a chance to argue before an administrative judge, exercising their right to intervene and challenge the permits.

The resolution of the ConocoPhillips case could have implications for Imperial's plans for the much larger-scale Canadian Kearl Module Transportation Project.

MDT Director Jim Lynch said last week that in light of the objections raised in Idaho, Imperial has reassessed emergency management plans contained in its proposal, thus extending the time needed to complete the environmental assessment.

"Something that entered into this, and it really has nothing to do with (MDT), is what's happening in Idaho as far as the lawsuit," Lynch said. "Based on that, (Imperial has) made some changes in their emergency response plan to provide more detail."

Despite the delays and the fact that there still are no assurances that the state will grant Imperial the necessary permits to move the rigs across Montana's roadways, Imperial has spent millions of dollars preparing for the big haul.

According to Imperial spokesman Pius Rolhiser, 16 modules arrived at the Port of Vancouver from South Korea earlier this year, and have since been transported by barge to the Port of Lewiston. Rolhiser said the company wants to move at least 35 modules to the Port of Lewiston before the locks system on the Columbia and Snake rivers closes in December for maintenance and repairs.

Meanwhile, the company has completed millions of dollars worth of utility relocation work in Montana and Idaho to clear the way for the big rigs.



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1 of 3

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According to Imperial's proposal, it estimates that utility relocations will generate approximately \$21.6 million in Montana, but Rolhiser declined to say how much the company has spent so far on utility work, calling that number proprietary information.

"I would say that about half of the anticipated work has been completed," Rolhiser said Friday. "In Idaho, our estimated economic activity related to utility work is about \$1.6 million, of which the majority has been completed."

According to NorthWestern Energy spokeswoman Claudia Rapkoch, about 75 percent of the 200 crossings on the company's electrical network have been completed at a cost of about \$4.5 million. Rapkoch said NorthWestern crews are finished with relocation work in the Missoula and Helena regions, noting the remaining utility work is in the Great Falls area. Rapkoch said the company is awaiting permits from MDT before completing the remainder of the work.

"The state had approved some of these permits early on and did not issue any more permits," Rapkoch said.

According to Sun River Electric Cooperative Manager Scott Odegard, crews have finished approximately 60 of the 100 or so crossings that need to be relocated on its system. Citing the private nature of the cooperative's contract with Imperial, Odegard declined to provide a dollar amount for the work.

"We've gone as far as we can go at this point," Odegard said.

According to Doug Ray, Glacier Electric Cooperative special projects manager, the company has completed about \$1.1 million work of relocation work to prepare for the large haul.

"We're probably close to well over 90 percent complete with all the work that we were required to do," Ray said, adding the remaining utility work will be completed in about two weeks.

Mark Grotbo, manager of the Marias River Electric Cooperative, said his crews finished relocating the few crossings located in his area last week, at a cost of approximately \$50,000 to \$60,000.

Mark Hayden, manager of the Missoula Electric Cooperative, said crews completed 77 of 82 permitted utility relocations and are awaiting permits on another 88 relocations. Hayden declined to comment on a dollar amount spent on the work thus far, citing privacy.

Rolhiser said all the utility work has been done at Imperial's cost and "with no assurance that (Imperial) will ultimately obtain permits."

Opponents of the project maintain that MDT needs to conduct a more thorough environmental impact statement, which would examine the cumulative impacts of the entire project, before issuing permits for any more utility work.

Bob Gentry, a Missoula attorney and former MDT lawyer, said the fact that a major portion of the utility work has already been completed is problematic. Gentry said MDT's yet-to-be completed environmental assessment includes a review of the impacts of utility modifications, adding the state should not be issuing any permits covered under the document.

"It's my understanding that MDT has tried to look at some of those things separately from the (Kearl Module Transportation Project) and said 'this is just a utility modification and we can do this under a categorical exclusion," Gentry said. "If they were individual projects, that would be entirely appropriate. The problem is when you add the number of the utility modifications all together, they may have larger cumulative impacts."

Lynch said the state's environmental laws provide for categorical exclusions that allow utility companies to relocate power lines without having to go through a full environmental review process. He



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2 of 3

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said permits for more intensive or environmentally sensitive utility relocation projects won't be issued until the environmental assessment is completed.

"That doesn't guarantee that permits will be issued and, of course, Conoco and (Imperial) knew that going forward, it was just something they were willing to do," Lynch said.

The Associated Press contributed to this report.



Workers prepare the large Conoco Phillips refinery equipment loads at the Port of Lewiston in Idaho last week. (AP PHOTO/LEWISTON TRIBUNE. BARRY KOUGH)



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3 of 3