



# northwestern energy and you...

## our philosophy

The construction of any new transmission requires the acquisition of land rights from private landowners and public agencies. Our goal is to foster positive, long-term relationships that can benefit both the property owner and NorthWestern. NorthWestern intends to conduct activities with this goal in mind. As a landowner, you have the right:



- ◆ To be treated with respect and trust, and be confident that NorthWestern Energy will work towards a mutual understanding of issues and goals.
- ◆ To receive accurate and timely information.
- ◆ To expect good faith negotiations.
- ◆ To be paid a fair price for the rights negotiated. ■

## how easements are obtained...

**Survey Work** - Once the preferred transmission line route is identified, a specific center line is located. A combination of aerial surveys, environmental and engineering field studies and geologic investigations are needed to select tower sites and to design the tower foundations. Towers are located at specific sites to satisfy structural design criteria, maintain adequate line-to-ground clearance and minimize impacts to the property being crossed.



**Land Services Agent** - If you own land potentially crossed by the project which needs to be surveyed or tested, a land services agent representing NorthWestern will contact you to explain the steps involved in route and tower site selection, land acquisition and construction. If any proposed construction activities interfere with your land use, the land services agent will discuss your needs and try to accommodate your requests.

The land services agent will also request permission to enter your property to conduct surveys and studies. The surveys and studies will be performed by people who are under contract to NorthWestern. The work will be done in a way that minimizes any foreseeable disturbances to you and your property. However, should any damage to crops, fences or other property occur as a result of these surveys and studies, you will be compensated or the damage will be repaired.

**Acquiring Easements and Other Property Rights** - New property rights ranging from 150-foot to 220-foot wide will be acquired for the transmission line. In addition, property rights for access roads, typically 20-foot wide will be acquired to access the transmission line. These property rights, called easements or right-of-way are needed to construct, operate and maintain the transmission line. They will be purchased through negotiations with landowners at fair market value, according to the value of the rights acquired. The landowner retains title to the land and may continue to use the property in ways that are compatible with the transmission line. Where the proposed transmission line would parallel existing transmission lines or other linear utilities, the access roads along the existing utilities would be used wherever possible to minimize the amount of new road construction.

The process to compensate landowners starts with valuation of the affected land. Appraiser's develop an opinion of value using customary appraisal methods, including careful analysis of any available market data and comparable sales, and by taking into consideration the rights being acquired from the landowner. Landowners will be invited to accompany the appraiser during property inspection. Landowners can then identify any property features and uses believed to be of importance in determining the value of the easement.

Easement payments are based on a percentage of the estimated land value, corresponding with the property type, rights acquired, and impact on land use. Typically, this percentage ranges from 50% to 100% of the estimated land value.

Landowners are presented with a written offer, based on the estimated value, and a contract to purchase the required easements. NorthWestern's land services agent explains the contract and discusses the basis for payment. NorthWestern makes every effort to obtain an agreement that is fair and reasonable to both parties.

Once the conditions of the agreement are met, the transactions are processed as efficiently as possible. NorthWestern will make full payment for easements to landowners and pay all fees for recording the easement and any title insurance.

For Example:

|                                     |          |
|-------------------------------------|----------|
| Estimated Land Value Per Acre ..... | \$5,000  |
| Easement Area .....                 | 10 acres |
| Land Value.....                     | \$50,000 |
| Percentage.....                     | 75%      |
| Easement Payment.....               | \$37,500 |

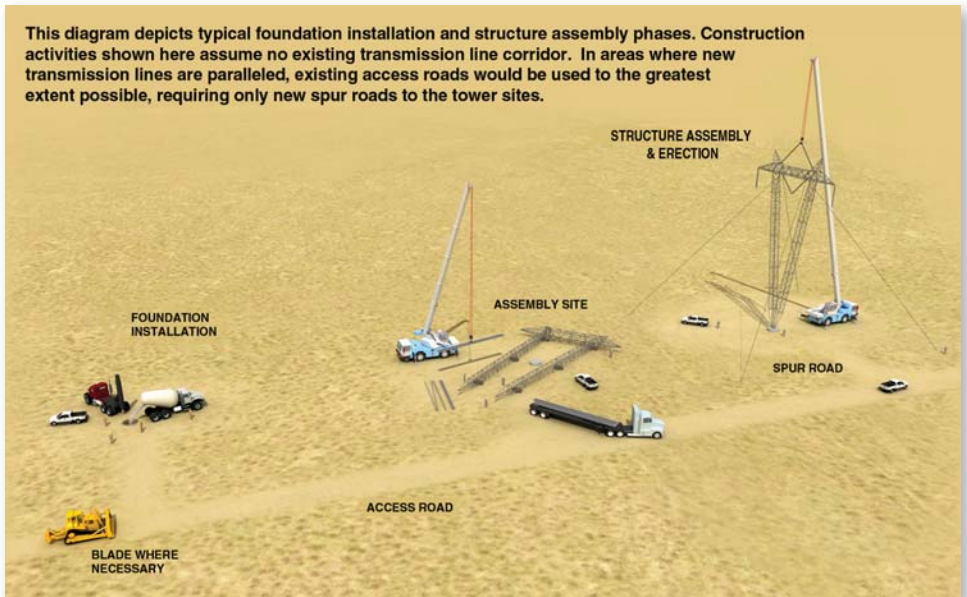
Once the easement corridor is selected, and affect properties identified, more detailed information will be available regarding valuation and impacts.

NorthWestern makes every effort to acquire the necessary easements through successful negotiations with landowners. However, if negotiations fail, easements can be acquired through eminent domain (condemnation) proceedings. Federal and state laws enable utilities to acquire, through the courts if necessary, property rights for facilities to be built in the public interest.

Eminent domain proceedings are only used if an agreement cannot be reached or if there are title matters that do not allow for a clean transfer of the necessary land rights. Through the eminent domain process, a court determines the just compensation to be paid to the property owner. ■

## how the project is built and operated...

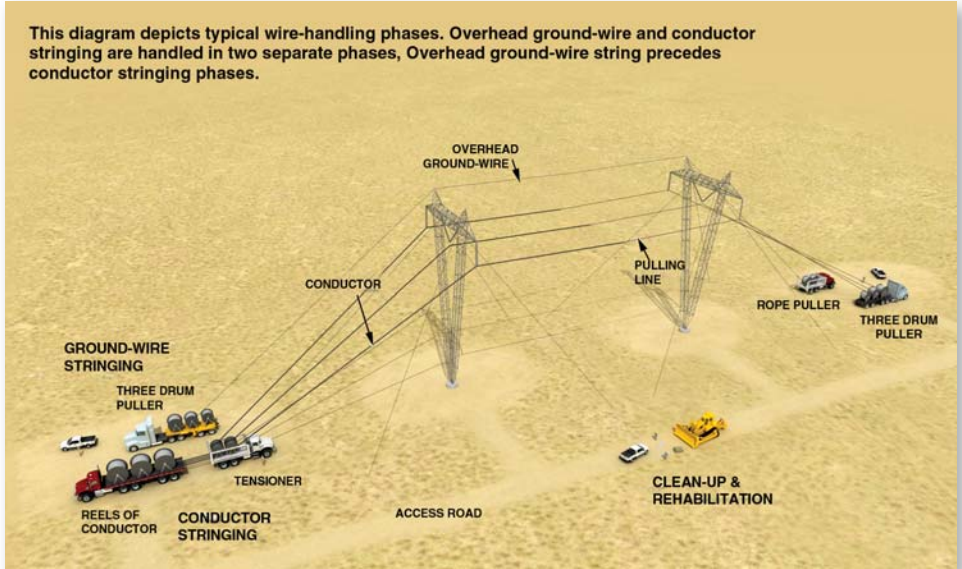
**During Construction** - Transmission lines are typically built in four stages: 1) preparing the right-of-way, 2) installing the tower foundations, 3) assembling and erecting the towers, and 4) stringing the conductors. Work is performed by construction contractors on NorthWestern's behalf. Contractors are restricted to the area within the acquired transmission line easements, access roads and staging areas.



NorthWestern's land services agent will advise landowners of the construction schedule. Reasonable attempts will be made to take into account the use and condition of the land, such as any planting, irrigation and harvest schedules, to minimize any inconvenience.

Preparing the right-of-way for construction may require gates and culverts be installed, vegetation cleared, trees trimmed or removed and structures removed that reduce adequate ground clearance for the conductors or access to the right-of-way. It may also be necessary to build access roads in hilly or mountainous terrain.

Tower footing foundations are constructed by digging or drilling holes, which are filled with steel-reinforced concrete. Steel tower components are then transferred to the site and assembled. Completed towers are raised by a crane or helicopter and attached to their foundations.



Finally, transmission conductors are installed. Trailers containing reels of conductor cable are placed along the route. The conductor cables are pulled from the reels through pulleys on the towers. After the conductor cables are positioned, they are suspended from the towers on insulators.

**After Construction** - Construction crews will minimize potential damage and clean up the right-of-way after work is completed. Before the last crew leaves, all work areas and access roads not required for line maintenance will be restored, as nearly as practical, to their previous condition. Construction refuse and scrap material will also be removed.

Landowners will be compensated for crop and for property damage that occurs as a result of construction or maintenance of the transmission line. If a landowner believes that damage has occurred and has not been recognized, he or she should contact NorthWestern's land services agent.

**Maintenance** - After the line is energized, maintenance crews will periodically inspect, repair and maintain the line. Transmission lines are inspected from the air and on the ground. Aerial inspections from helicopters and small aircraft are routinely performed, particularly after wind, ice or lightning storms. Ground inspections are usually performed annually to detect items needing repair or replacement that are not found by aerial inspections.

[Living and Working Around Electrical Facilities](#) - Electric utilities design, construct, operate and maintain transmission lines and substation facilities to meet or exceed the requirements of the National Electric Safety Code. These standards provide for the safety and protection of landowners and their property, the general public and utility employees.

Many activities are compatible with transmission line rights of way. For example, certain ranching and farming activities, gardening, various recreational activities and many other uses are permitted as long as care is taken to prevent damage and maintain access to transmission line structures.

No buildings or structures may be erected within the easement because they could impede the safe operation of the line or interfere with access needed for line maintenance. For safety reasons, pumps, wells, swimming pools and flammables must not be placed in the easement area. Properly grounded sprinkler systems are acceptable. NorthWestern also has other requirements for transmission rights of way to maintain system reliability. For example, NorthWestern has regulations on vegetation management because trees may grow too close to the transmission line and cause fires or transmission line outages. ■

## GLOSSARY

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**Access Road** – A road used for vehicle travel, usually from a public road to a transmission line corridor or other associated facility. If no suitable road exists, new roads are constructed.

**Appraisal** – A process used by the professional appraiser to interpret facts and judgments into an estimate or opinion of value. These facts include: the interests being acquired, such as an easement or a fee; the effect on the remaining property; and data obtained from the market, such as comparable sales, costs and income.

**Centerline** – A straight line between points of intersection used for transmission tower alignment.

**Conductor** – The wire cable suspended between transmission towers through which electric current flows.

**Corridor** – A linear strip of land up to three miles wide, in which utility facilities, such as transmission lines, may be located. The corridor is narrowed as additional information and public input is acquired.

**Easement** – A specific strip of land within which a utility has certain rights, as authorized by a written agreement with the property owner or a judgment in condemnation.

**Eminent Domain** – The legal right of a government agency or utility to acquire private property for public use, with just compensation to the property owner, as determined by a court.

**Land Services Agent** – A NorthWestern employee or contractor who is in direct contact with the affected landowner. The land services agent represents NorthWestern (1) to obtain permission to enter for conducting pre-construction activities, and (2) to present contracts for easements or other property rights. The land services agent also provides the landowner with information about the type and location of the proposed line, the width of the needed easement, the conditions of the easement and the basis for full payment.

**National Electrical Safety Code** – An American National Standard imposed to safeguard people during the installation, operation or maintenance of electric supply and communications lines and their associated equipment.

**Right of way** – The strip of land where a transmission line or its access roads are located. ■

## **About NorthWestern Energy**

*NorthWestern Energy provides electricity and natural gas in the Upper Midwest and Northwest, serving approximately 656,000 customers in Montana, South Dakota and Nebraska. More information on NorthWestern Energy is available on the Company's Web site at [www.northwesternenergy.com](http://www.northwesternenergy.com).*

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## contacts...

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If you have questions or comments about the project, or would like to be added to the project mailing list, please contact:

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