BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI



Missouri Landowners Alliance, and Eastern Missouri Landowners Alliance DBA Show Me Concerned Landowners, and John G. Hobbs,)))
Complainants,)
v.) File No. EC-2021-0034
Grain Belt Express LLC, Invenergy Transmission LLC, and Invenergy Investment Company, LLC,)))
Respondents.)

REPORT AND ORDER

Issue Date: January 20, 2021

Effective Date: February 19, 2021

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v.) File No. EC-2021-0034
Grain Belt Express LLC, Invenergy Transmission LLC, and Invenergy Investment Company, LLC,)))
Respondents.))

Appearances

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Attorney for Missouri Landowners Alliance, and Eastern Missouri Landowners Alliance DBA Show Me Concerned Landowners, and John G. Hobbs

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Attorneys for the Staff of the Commission

Judge: Paul T. Graham

REPORT AND ORDER

I. Procedural History

On June 22, 2020,¹ Missouri Landowners Alliance and Eastern Missouri Landowners Alliance DBA Show Me Concerned Landowners and John G. Hobbs (Complainants) filed a complaint against Grain Belt Express LLC, Invenergy Transmission LLC, and Invenergy Investment Company LLC (Grain Belt).² It alleged violations of the Commission's Report and Order on Remand issued in File No. EA-2016-0358 on March 20, 2019 (CCN Order).³ Per the Complaint, the Certificate of Convenience and Necessity (CCN) authorized construction of an electric transmission line across eight counties in northern Missouri.⁴ This project required the acquisition of easements from affected landowners.⁵ The Complainants allege the 2019 CCN Order required Grain Belt

On September 1, 2020, the parties filed a Joint Motion to Suspend Current Deadlines and Establish a Briefing Schedule. Therein, the parties stipulated that in their respective legal briefs they could cite to any portion of the record in the CCN case in support of their arguments and that the single issue to be decided was whether, as a condition of the CCN granted to Respondent in the CCN case, Grain Belt is required to initiate easement negotiations by offering the form of easement agreement marked as Schedule DKL-4 to Exhibit 113 in the CCN proceeding.

The Commission will officially notice the Report and Order on Remand issued on March 20, 2019, in File No. EA-2016-0356 (the 2019 CCN Order or CCN Order) together with its Attachments 1 and 2; and Exhibit 113 from the CCN Order, together with Exhibit 113's Schedules DKL-1 (the Missouri Landowner's Protocol); DKL-2 (the Code of Conduct); and DKL-4 (the standard easement agreement).

¹ All date citations will be to 2020 unless otherwise stated. All citations to the Missouri Revised Statutes will be to 2016.

² This Order will refer to the Respondents together as "Grain Belt" or refer to them individually as may be dictated by the context. The order will refer to Invenergy Transmission LLC and Invenergy Investment Company together as "Invenergy" or refer to them individually as may be dictated by the context.

³ Section 536.070 (6), RSMo, permits an administrative agency to "take official notice of all matters of which the courts take judicial notice." It is well settled law that courts may, and should, "take judicial notice of their own records in prior proceedings which are between the same parties on the same basic facts involving the same general claims for relief." *Moore v. Missouri Dental Bd.*, 311 S.W.3d 298, 305-306 (Mo. App. W.D. 2010); *Chandler v. Hemeyer*, 49 S.W.3d 786, 791 792 (Mo. App. W.D. 2001); *State ex rel. Callahan v. Collins*, 978 S.W.2d 471, 474 (Mo. App. W.D. 1998); *Meiners Co. v. Clayton Greens Nursing Ctr., Inc.*, 645 S.W.2d 722, 724 (Mo. App. E.D. 1982); *Hardin v. Hardin*, 512 S.W.2d 851, 854 (Mo. App. K. C. Dist. 1974). See also State v. Hurst, 845 S.W.2d 669, 670 (Mo. App. E.D. 1993); *Schrader v. State*, 561 S.W.2d 734, 735 (Mo. App. K.C. Dist. 1978).

⁴ Complaint, paragraph 5.

⁵ See Complaint, generally.

to initiate easement acquisition negotiations using a standard form of agreement which was attached as Schedule DKL-4 to Exhibit 113 ("DKL-4 Easement Agreement," "original easement agreement," or "standard easement agreement") in the CCN Order.⁶ Complainants allege Grain Belt is violating the CCN Order by beginning negotiations with a revised easement agreement ("Revised Easement Agreement") that differs materially from the DKL-4 Easement Agreement.⁷

The Commission issued a Notice of Formal Complaint and Order Directing Staff to File a Preliminary Report. On September 1, the parties filed a Joint Motion to Suspend Current Deadlines and Establish a Briefing Schedule. The Joint Motion stated the parties had agreed and stipulated to submitting this case to the Commission on briefs per the following:

- (A) In their recent easement negotiations with Missouri landowners for easements on the proposed right-of-way of the Grain Belt line, Invenergy's land agents have presented landowners with easement agreements in the form of that attached as Exhibit 2 to the Complaint, and/or the form of easement agreement attached as Exhibit 1 to the Joint Motion to Suspend Current Deadline and Establish a Briefing Schedule. The land agents are not currently presenting landowners with the form easement agreement marked as Schedule DKL-4 to Exhibit 113 in the CCN proceedings;
- (B) In their respective legal briefs, Joint Movants may cite to any portion of the record in the CCN case to support their arguments; and
- (C) Joint Movants agree that the issue in this Complaint is limited to whether, as a condition of the CCN granted to Respondents in the CCN case, Grain Belt is required to initiate easement negotiations by offering the form of easement agreement marked as Schedule DKL-4 to Exhibit 113 in the CCN proceeding.

⁶ Complaint, paragraphs 13, 14, and 15.

⁷ Complaint, paragraphs 13, 14, and 15.

On September 15, the Commission Staff, Grain Belt and Complainants filed their initial briefs. On September 30, they filed their reply briefs. On October 12, Grain Belt filed a Motion to Dismiss Formal Complaint. On October 15, the Complainants filed their Opposition to Respondents' Motion to Dismiss. The Commission will review the parties' briefs and the record in the CCN case to decide the case on the merits as requested in the Joint Motion.⁸

II. Findings of Fact

1. Grain Belt Express Clean Line LLC was issued a CCN on March 20, 2019.9

The CCN authorized the construction of an approximately 780-mile, overhead, multiterminal +600 kilovolt high-voltage, direct current transmission line and associated
facilities (collectively here referred to as the Project).¹⁰

2. The CCN Order made the following findings of fact:

⁸ The Commission has officially noticed the Report and Order on Remand in EA-2016-0358 (CCN Order) with its Attachments 1 and 2; and Exhibit 113 from that case, with its Schedules DKL 1, 2 and 4. By way of further description:

¹⁾ Attachments 1 and 2, are attached and incorporated by reference to the CCN Order per its Ordering Paragraphs 2 and 3. Page 51. In the CCN Order, Attachment 1 is also referred to as Exhibit 206, which is entitled "Conditions Agreed to by Grain Belt Express Clean Line LLC and the Staff of the Missouri Public Service Commission." In the CCN Order, Attachment 2 is also referred to as Exhibit 205. Exhibit 205 is entitled "Grain Belt Express Response to Rockies Express Pipeline LLC's First Set of Data Requests to Grain Belt Express Clean Line LLC." Per the CCN's Ordering Paragraphs 2 and 3, p. 51, Attachments 1 and 2 are the express conditions of the CCN, and Grain Belt Express Clean Line LLC is ordered to comply with them.

²⁾ Exhibit 113 is not attached to the CCN Order. It is the direct testimony of Deann Lanz. Exhibit 113 is cited in the CCN Order in Findings of Fact 19, 20, 21, 109, 110, and 111 (pp. 12, 32 and 33). In her testimony, page 4 of Exhibit 113, Deann Lanz identifies the Missouri Landowner Protocol as Schedule DKL-1. She identifies the Code of Conduct as DKL-2 at page 4 of her testimony. She identifies the standard form of agreement used by Grain Belt as Schedule DKL-4 at page 15 of her testimony. Schedules DKL 1 through 4 are attached to Exhibit 113.

³⁾ The CCN Order references Schedule DKL-4 at footnote 35 and 36 (Findings of Fact 19 and 20). p. 12. Neither the CCN Order's Ordering Paragraphs, Schedule DKL-1, nor Schedule DKL-2, however, reference Schedule DKL-4 directly or indirectly.

⁴⁾ The CCN Orders Ordering paragraph 8, p. 52, orders Grain Belt Express Clean Line LLC to comply with the Missouri Landowner Protocol and the Code of Conduct.

The information contained in this footnote will be reiterated in the Findings of Fact as may be necessary to the Commission's Decision.

⁹ File EA-2016-0358 ("CCN Order").

¹⁰ 2019 CCN Order, Findings of Fact, II. A. 4 at p 8.

a. Paragraph 19:

Grain Belt uses a standard form of agreement when acquiring easement rights from Missouri landowners. ¹¹ The agreement includes the right to construct, operate, repair, maintain, and remove an overhead transmission line and related facilities, along with rights of access to the right-of-way for the transmission line. The standard form of agreement was attached as Schedule DKL-4 to Ex. 113, ¹²

b. Paragraph 109:

Grain Belt developed the Missouri Landowner Protocol¹³ as part of its approach to right-of-way acquisitions for the Project. The Landowner Protocol is a comprehensive policy of how Grain Belt Express interacts, communicates, and negotiates with affected landowners and includes: the establishment of a code of conduct, its approach to landowner and easement agreement negotiations, a compensation package, updating of land values with regional market studies, tracking of obligations to landowners, the availability of arbitration to landowners, the Missouri Agricultural Impact Mitigation Protocol, and a proposed decommissioning fund.

c. Paragraph 121:

Grain Belt has agreed to incorporate the Missouri Landowner Protocol into the easement agreements with landowners and follow the protocol as a condition to the CCN.¹⁴

3. Paragraph 19 of the Commission's CCN Order's Findings of Fact cited to Exhibit 113, the testimony of Deann Lanz. 15 The parties here have agreed that the issue in this Complaint is limited to whether, as a condition of the CCN granted to Respondents in the CCN case, Grain Belt is required to initiate easement negotiations by offering the form of easement agreement marked as Schedule DKL-4 to Exhibit 113 in the CCN

¹¹ Ex. 113, Lanz Direct Testimony, p. 15-16, Schedule DKL-4

¹² Deann Lanz's Direct testimony referenced it as such in the 2019 CCN case. See Paragraphs 19, 20 and 109 of the 2019 CCN Order's findings of fact, pp. 12; 32-33.

¹³ References hereinafter to the "Protocol" will be to the Missouri Landowner Protocol unless otherwise indicated

¹⁴ 2019 CCN Order, Finding of Fact 121, p. 35.

¹⁵ Exhibit 113, Lanz Direct Testimony, p. 1, II. 3-4.

proceeding. Per Exhibit 113, Ms. Lanz's testimony in the CCN case, the Commission makes the following findings of fact:

a. Ms. Lanz testified in the CCN case:

Grain Belt Express has a standard form of agreement, the Transmission Line Easement Agreement ('Easement Agreement'), that it will present to landowners. It is attached as Schedule DKL-4. The Easement Agreement provides for the development, financing and safe construction and operation of the Project, and is broad enough to cover most situations and concerns raised by landowners, without making such Easement Agreement overly burdensome or lengthy. ¹⁶

b. Ms. Lanz testified in the CCN case:

The Easement Agreement is not meant to be "one size fits all" for every situation. Because each parcel of land is unique and because some landowners may have specific concerns that other landowners may not, Grain Belt Express has previously negotiated reasonable modifications to the Easement Agreement with both landowners and their attorneys.¹⁷

4. The 2019 CCN Order in its Ordering Paragraphs required the following:

Grain Belt Express Clean Line LLC shall comply with the Missouri Landowner Protocol, including, but not limited to, a code of conduct and the Missouri Agricultural Mitigation Impact Protocol, and incorporate the terms and obligations of the Missouri Landowner Protocol into any easement agreements with Missouri landowners.¹⁸

5. In the CCN's Ordering Paragraphs 2 and 3, the CCN order expressly approved, adopted and ordered Grain Belt to comply with the conditions of Exhibits 206 and 205, attached to the CCN Order, respectively, as Attachments 1 and 2.¹⁹ Attachment

¹⁶ Exhibit 113, Lanz, Direct Testimony, p. 15, II. 12-21., cited in the CNN Order's Findings of Fact, paragraph 19, footnote 35, p. 12.

¹⁷ Exhibit 113, Lanz, Direct Testimony, p. 15, II. 17-21.the CNN Order cited generally to p.15 of the testimony at footnote 35, Finding of Fact numbered 19, p. 12.

¹⁸ 2019 CCN Ordering Paragraph 8, p. 52.

¹⁹ CCN Order, Ordering Paragraphs 2 and 3, p. 51. Attachment 1, Exhibit 206, is a six-page document entitled Conditions Agreed to by Grain Belt Express Clean Line LLC and the Staff of the Missouri Public Service Commission. It contains sections entitled, respectively, Financing Conditions; Interconnection Studies and Safety; Nearby Utility Facilities; Emergency Restoration Plans; Construction and Clearing; Maintenance and Repair; and Landowner Interactions and Right-of-Way Acquisition.

1 contained conditions concerning financing, interconnection studies and safety, nearby utility facilities, emergency restoration plans, construction and clearing, maintenance and repair, landowner interactions and right-of-way acquisition. Attachment 2, is entitled Grain Belt Express Response to Rockies Express Pipeline LLC's²⁰ First Set of Data Requests to Grain Belt Express Clean Line LLC and contains Grain Belt's responses to data requests concerning risks to the safety or integrity of REX pipelines, the timing of studies on the potential impacts of the Project, the timing when Grain Belt will give REX notice of the staging of the Project, the sharing of Grain Belt's technical information with REX, Grain Belt's responsibility for the costs of any steps necessary to mitigate the effects of the Project on REX, and Grain Belt's responsibility for all direct damages caused by the Project to REX,

- 6. In the CCN Order's Ordering Paragraph 8, the CCN Order expressly ordered Grain Belt to comply with the Missouri Landowner Protocol (Schedule DKL-1) and the Code of Conduct (Schedule DKL-2) and to incorporate the terms and obligations of the Missouri Landowner Protocol into any easement agreements with Missouri landowners.²¹
- 7. Neither Exhibit 205 nor 206 of the CCN Order mentions the Schedule DKL-4 Easement Agreement or the testimony of Deann Lanz. Neither Exhibit prescribes the form or content of an easement agreement except to state the agreement should pertain to the land in question and contain a drawing that shows the location of the easement.²² Neither exhibit states that Grain Belt must initiate easement negotiations

²⁰ Hereinafter "REX."

²¹ 2019 CCN Order, Ordering Paragraph 8, p. 52.

²² 2019 CCN Order, Attachment 1, p. 6, paragraph VII (4).

with the Schedule DKL-4 Easement Agreement. Neither Schedule DKL 1 nor 2 mentions or refers indirectly to the Schedule DKL-4 Easement Agreement.

8. In their recent easement negotiations with Missouri landowners for easements on the proposed right-of-way of the Grain Belt line, Invenergy's land agents have presented landowners with easement agreements in the form of that attached as Exhibit 2 to the Affidavit of John G. Hobbs, which is attached to the Complaint.²³ The land agents are not currently presenting landowners with the form easement agreement marked as Schedule DKL-4 to Exhibit 113 in the CCN proceedings.

III. Conclusions of Law

- A. As companies owning, operating, controlling or managing a plant for selling or supplying electricity for gain, Respondents are public utilities subject to the jurisdiction, control and regulation of the Commission.²⁴ Respondents are "electrical corporations" as defined by section 386.020(15), RSMo.
- B. Section 386.390.1, RSMo, permits any person to make a complaint to the Commission setting forth any act or thing done or omitted to be done by any public utility "in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the commission. . . ."
- C. Section 386.390.5, RSMo, states that the Commission shall fix a time and place for a hearing on a Complaint. The requirement for a hearing in a contested case is met, however, when the opportunity for hearing is provided and no proper party requests

²³ The findings in this paragraph are per the parties' stipulations in the Joint Motion to Suspend Current Deadlines and Establish a Briefing Schedule, Part II. Joint Stipulations. The Schedule DKL-4 easement agreement will be attached to this Order as Exhibit A. The easement agreement which Complainants challenge and which is attached to the Complaint and the affidavit of John G. Hobbs is attached to this Order as Exhibit B.

²⁴ Section 386.020 (15) and (43), RSMo.

the opportunity to present evidence.²⁵ The parties have agreed that the issue in this Complaint is limited to whether, as a condition of the CCN granted to Respondents in the CCN case, Grain Belt is required to initiate easement negotiations by offering the form of easement agreement marked as Schedule DKL-4.²⁶ They have submitted stipulated facts and agreed to submit this issue on their briefs.²⁷ Thus, the parties have agreed to waive a right to a hearing.

D. The Commission may interpret its own orders and ascribe to them a proper meaning.²⁸ "Denial of the power of the commission to ascribe a proper meaning to its orders would result in confusion and deprive it of power to function."²⁹ "Words and phrases shall be taken in their plain or ordinary and usual sense, but technical words and phrases having a peculiar and appropriate meaning in law shall be understood according to their technical import."³⁰ In the absence of a given definition in a regulation, a word or term will be given its plain and ordinary meaning as derived from a dictionary.³¹ "It is inappropriate to defer to an agency's interpretation of its own regulation that in any way expanded upon, narrowed, or was otherwise inconsistent with the plain and ordinary meaning of the words used in the regulation."³²

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²⁵ State ex rel. Rex Deffenderfer v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. W.D. 1989).

²⁶ Joint Motion to Suspend Current Deadlines and Establish a Briefing Schedule, II. (c), Joint Stipulations filed September 1, 2020.

²⁷ Joint Motion to Suspend Current Deadlines and Establish a Briefing Schedule.

²⁸ State ex rel. Laclede Gas Co. v. Pub. Serv. Comm'n of State, 392 S.W.3d 24, 34 (Mo. App. W.D. 2012).

²⁹ State ex rel Orscheln Bros. Truck Lines v. Pub. Serv. Comm'n, 110 S.W.2d 364, 366 (Kansas City Court of Appeals, 1937).

³⁰ Section 1.090, RSMo.

³¹ Deaconess Manor Ass'n v. Pub. Serv. Comm'n of State of Mo., 994 S.W.2d 602, 609 (Mo. App. W.D. 1999).

³² Matter of Trenton Farms Re, LLC v. Missouri Dept. of Nat. Res., 504 S.W.3d 157, 164 (Mo. App. W.D. 2016).

IV. Decision

The CCN Order required Grain Belt to comply with the conditions identified in Exhibits 206 or 205, which were adopted by and made a part of the CCN Order in its Ordering Paragraphs 2 and 3 as, respectively, Attachments 1 and 2.³³ Neither Attachment 1 nor 2 mentions the Schedule DKL-4 Easement Agreement or the testimony of Deann Lanz. Neither Attachment prescribes the form or content of an easement agreement except to state the agreement should pertain to the land in question and contain a drawing that shows the location of the easement.³⁴ Neither Attachment states that Grain Belt must initiate easement negotiations with the Schedule DKL-4 Easement Agreement. The use of the Schedule DKL-4 Easement Agreement is simply never mentioned as a condition of the CCN.

The CCN Order's Findings of Fact went to some length and into detail in describing Grain Belt's use of a standard form of agreement,³⁵ the Missouri Landowner Protocol and its application to easement agreement negotiations,³⁶ the incorporation of that Protocol into its easement agreements³⁷ and the requirement that Grain Belt follow the Protocol as a condition of the CCN.³⁸ While the Ordering Paragraphs then ordered compliance with the Protocol (Schedule DKL 1) and the Code of Conduct (Schedule DKL 2),³⁹ the Ordering Paragraphs did not expressly condition the CCN on the use of the DKL-4 Easement Agreement or otherwise require its use; nor did the Protocol or Code of

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³³ 2019 CCN Order, p. 51, Ordering Paragraphs number 2 and 3, referencing the CCN Order's Attachments 1 and 2, which are, respectively, Exhibits 206 and 205.

³⁴ 2019 CCN Order, Attachment 1, p. 6, paragraph VII (4).

³⁵ 2019 CCN Order, Findings of Fact 19, p. 12.

³⁶ 2019 CCN Order, Findings of Fact, 109, p. 32.

³⁷ 2019 CCN Order, Findings of Fact 120, p. 35.

³⁸ 2019 CCN Order, Findings of Fact 35, p. 15.

³⁹ 2019 CCN Order, Ordering Paragraph 8, p. 52.

Conduct, whose use the CCN Order's Ordering Paragraphs expressly required, even mention the DKL-4 Easement Agreement.

That the Commission expressly required the use of both the Missouri Landowner Protocol and the Code of Conduct, but not the DKL-4 Easement Agreement in its Ordering Paragraphs is consistent with the differing natures of these documents. The Protocol and Code of Conduct, on the one hand, govern Grain Belt's relationships and conduct in dealing with landowners in the course of easement negotiations. In contrast to the Schedule DKL-4 Easement Agreement, the Protocol and Code of Conduct represent requirements guiding every landowner interaction. The Commission ordered Grain Belt to treat all landowners as set out in the Protocol and Code of Conduct. On the other hand, "[b]ecause each parcel of land is unique and because some landowners may have specific concerns that other landowners may not," the Schedule DKL-4 Easement Agreement was "not meant to be 'one size fits all' for every situation." Thus, the Commission, on the one hand, by mandating the use of the Protocol and Code of Conduct, made how Grain Belt was to treat all landowners during negotiations an express condition of the CCN. The Commission, on the other hand, did not mandate or restrict Grain Belt as to what terms to offer in the course of negotiations, except to require that each agreement expressly pertain to the land and contain a drawing of the easement location in question.

Complainants ask the Commission to enlarge upon the CCN Order's conditions by looking to the Order's Findings of Fact. The term "condition," as the Commission uses it in the context of CCNs, generally has a special, technical meaning and refers to

⁴⁰ Exhibit 113, CCN Order, Testimony of Deann Lanz, pp. 15, II. 17-21.

limitations and duties expressly designated as "conditions." Where there is no ambiguity about the term "condition" in this case, the Commission will not use the CCN Order's Findings of Fact about Grain Belt's use of a standard easement agreement to infer one. On the record in this case, the Commission sees no basis for finding that as used in the CCN Order, the term "condition" means something different and broader than the meaning ordinarily ascribed to the term by this Commission. It is the Commission's decision that the CCN Order did not require Grain Belt to initiate negotiations with landowners with the Schedule DKL-4 Easement Agreement. Therefore, the Complaint will be denied.

THE COMMISSION ORDERS THAT:

- 1. The Complaint brought on June 22, 2020, by Missouri Landowners Alliance and Eastern Missouri Landowners Alliance DBA Show Me Concerned Landowners and John G. Hobbs against Grain Belt Express LLC, Invenergy Transmission LLC, and Invenergy Investment Company LLC, is denied.
 - 2. The Motion to Dismiss filed by Invenergy is dismissed as moot.
- 3. The Commission Data Center shall file the following documents from File EA-2016-0358 through EFIS in the official record of this file. These documents shall be deemed a part of the official record in this file and are herewith received into evidence:
 - Report and Order on Remand together with its incorporated Attachments 1
 (Exhibit 206) and 2 (Exhibit 205).⁴¹
 - Exhibit No. 113, Direct Testimony of Deann K. Lanz, together with its attached Schedules DKL-1, DKL-2 and DKL-4.⁴²

⁴¹ EA-2016-0358 EFIS 758

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⁴² EA-2016-0358, EFIS 372.

4. This Order shall be effective on February 19, 2021.



BY THE COMMISSION

Morris L. Woodruff

Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and Holsman CC., concur.

Graham, Regulatory Law Judge