

**TESTIMONY OF BRUCE R. CARLSON
MANAGER OF VERENDRYE ELECTRIC COOPERATIVE
TO THE U.S. ENVIRONMENTAL PROTECTION AGENCY
Support of the Makoti Refinery Project
August 2, 2006**

Mr. Chairman and members of the committee, my name is Bruce Carlson, General Manager of Verendrye Electric Cooperative, Velva, North Dakota. Verendrye is a "member owned" electric cooperative, which serves 10,500 meters in six counties over 4,400 miles of power line located in 4,800 square miles of service area surrounding Minot.

I offer this written testimony in strong support of the Mandan, Hidatsa, and Arikara Nation's "proposed clean fuels petroleum refinery" to be located near Makoti, North Dakota. Verendrye's Engineering Manager and I have reviewed the draft environmental impact statement for the Three Affiliated Tribe's proposed Clean Fuels Refinery Project. As you know, Verendrye's name and a number of obligations are included regarding the project's power supply. We believe the Tribal Leadership and their consultants have done their due diligence and a good job addressing issues of concern to the local community, the greater Minot trade area and of the Native Americans. There is no question that this project will create good paying permanent jobs, in addition to construction contractor jobs and sub-contractor work. This project will diversify the area's economy and be a benefit to all of Western North Dakota, with many businesses enjoying status as "suppliers of services" to the refinery. Needless to say, I am biased as the Manager of the non-profit power supplier, which would have the privilege and honor of serving the electric needs of the proposed refinery.

I want to compliment the tribe, and specifically Chairman Tex Hall, in your vision of bringing the proposal to this stage of reality. I want to compliment the local oil refinery project manager, Horace Pipe, in his efforts to keep everyone informed on the project and for his excellent working relationship in the Makoti community. I also want to compliment the tribe's consultants "Triad Project Corporation" and specifically Bob Woolley, for his professional

expertise, as proven in his relationship with Verendrye Electric Cooperative. I want to compliment the people of Makoti for welcoming this project to their small rural community. Finally, I want to compliment the Native American people of the Three Affiliated Tribes in their efforts to coordinate economic development activities with the local “European Americans” as we work together for the common good of this region. It is exciting to see this local 3-year refinery “dream” slowly move toward actual construction.

I do want to address one “option” for the proposed project and support the production of biodiesel as part of the refinery. Hopefully this option leads to the production of a renewable fuel derived from canola seed. Not only will this option fit well into the surrounding farming community but is also in the best interest of the nation as we work to reduce dependence on foreign high priced fossil fuels.

Verendrye Electric Cooperative is non-profit and only here to meet the electrical needs of our membership. The refinery needs a firm, reliable, safe “base load” power supply in order to operate smoothly, which Verendrye can provide. Verendrye also works hard at economic development and we’re especially excited about a new industrial electrical load that would operate 24 hours a day and 365 days per year. Economic development and job creation is hard work. It is like riding a bicycle, you either pedal hard and keep moving forward, or you end up standing still and crashing. We must continue to support projects such as the proposed refinery, which will keep the entire region moving forward.

Thank you for this opportunity to offer my comments in support of the Makoti Refinery Project and I encourage the U.S. Environmental Protection Agency to grant the necessary permits for construction.