

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES DIVISION
BEFORE THE IOWA UTILITIES BOARD

FILED WITH
Executive Secretary
September 08, 2015
IOWA UTILITIES BOARD

IN RE:

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DAKOTA ACCESS, LLC

(60 PLUS ASSOCIATION, INC.)
(EXHIBIT MK DIRECT)

DIRECT TESTIMONY OF MATTHEW KANDRACH
SUBMITTED ON BEHALF OF 60 PLUS ASSOCIATION, INC.

September 8, 2015

Respectfully submitted,

BELIN McCORMICK, P.C.

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ATTORNEYS FOR

60 PLUS ASSOCIATION, INC.

PROOF OF SERVICE

I hereby certify that the foregoing document was automatically served electronically on all parties registered with the Electronic Filing System on: September 8, 2015.

Signature: /s/ Lori McKimpson

1 **Q: PLEASE IDENTIFY THE 60 PLUS ASSOCIATION, INC.**

2 A: Founded in 1992, the 60 Plus Association, Inc. is a non-partisan seniors advocacy
3 group with a free enterprise, less government, less taxes approach to seniors issues. We
4 are headquartered in Alexandria, VA.

5

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. I am testifying on behalf of the 60 Plus Association, Inc. in support of Dakota Access,
8 LLC's proposed Dakota Access Pipeline project ("DAPL").

9

10 **Q. WHAT IS YOUR UNDERSTANDING AS TO THE PURPOSE AND SCOPE**
11 **OF THIS PROCEEDING?**

12 A. I understand that on January 20, 2015 Dakota Access LLC filed a Petition for
13 Hazardous Liquid Pipeline Permit under Chapter 479B of the Iowa Code and seeks to
14 construct a 30" crude oil pipeline across 346 miles of the state of Iowa to transport crude
15 produced in North Dakota to a hub in Patoka, Illinois.

16

17 **Q. WHY DO YOU SUPPORT DAKOTA ACCESS LLC'S PETITION?**

18 A. The Dakota Access Pipeline Project is important to seniors for several reasons. High
19 energy prices are disproportionately impacting America's low and fixed-income senior
20 citizens today – citizens that often have limited financial resources with which to meet
21 their needs. The United States has 27 million households aged 65 or more ("65+"),
22 representing nearly one-quarter of the nation's 116 million households. Low and fixed-
23 income seniors are among the most vulnerable, not just to electric rate increases, but to

1 any energy price increases and fluctuations. America's 65+ fixed-income population,
2 quite simply, requires stable energy prices. Motor gasoline costs are one of the principal
3 energy expenditures for most 65+ households. The availability and cost of crude oil is a
4 primary driver of gasoline prices – prices that weigh heavily on the budgets of seniors.
5 60 Plus's support for this petition reflects the fact that Dakota Access will help to
6 maximize the productivity of the Bakken production region and, in doing so, bring
7 greater stability to domestic energy supply.

8 Seniors' sensitivity to energy prices is defined by the nature of their budgets, which have
9 limited room to adjust or accommodate for any increases in price. More than 40% of
10 America's 65+ households had gross annual incomes below \$30,000 in 2012, with an
11 average pre-tax household income of \$17,032, or \$1,419 per month. Energy price
12 increases in recent years have been heavily impacting seniors' Social Security Cost of
13 Living Adjustments for over a decade. We believe that gasoline price increases are
14 burdensome and consume a disproportionate share of the seniors' monthly budgets as
15 prices fluctuate according to global and domestic market and supply dynamics.

16 By helping the United States to better capitalize upon its growing domestic energy
17 resources – and affordably transport these resources to market – the Dakota Access
18 Pipeline will help to foster stability within energy markets nationwide, and improve the
19 availability of affordable American produced crude oil.

20
21 **Q. WHY ARE PIPELINES LIKE THE DAKOTA ACCESS PIPELINE NEEDED?**

22 A. Expansion of our nation's energy infrastructure – especially crude oil pipelines – is of
23 critical importance. In order for our nation to fully realize the benefits of our second-to-
24 none natural energy resources, we have to be able to move our domestic crude oil from

1 the wells to refineries in the most efficient and cost effective manner.
2 Dakota Access represents a best-in-class project poised to dramatically increase the
3 volume of crude oil that we are moving from North Dakota. It is the most efficient
4 method for moving the enormous quantities of petroleum that exist in the Bakken to
5 refineries, and enables producers to move that petroleum more affordably than other
6 options like rail or trucks. As reported by the *New York Times*, “Transporting crude oil
7 by pipeline is generally cheaper than by rail, at a cost of about \$5 a barrel compared with
8 \$10 to \$15 a barrel, according to a February report by the Congressional Research
9 Service.” For an organization such as mine, devoted to the best interests of seniors in
10 Iowa and around the nation, this project represents a very important step in our nation’s
11 energy evolution.

12 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 A. Yes, it does.

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/s/ Matthew Kandrach

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Matthew Kandrach

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