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To the Mayors of Mendota Heights, South St. Paul, and Sunfish Lake:

I am a licensed appraiser at Capital Appraisals, Inc. and have been practicing as an appraiser for 29 years, I am very familiar with the communities involved in the study and, as well, have access to my company's extensive data base. As a matter of fact, it is the same data base which Colliers Towle, Inc. used to generate their report to you.

I was asked to review the report and have the following observations to make:

-Houses in the price range of those identified South St. Paul, and to a large extent, in Mendota Heights, are at the entry level for many home buyers. As such, they are usually in high demand with buyers being less discriminating regarding negative factors ie: traffic noise, commercial development and high voltage wires.

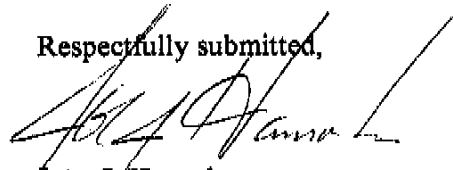
-Since both the subject houses and comparisons are in the same neighborhood, the transmission lines impact them all to some extent. A more valid comparison would be with sales of similar housing stock in a neighborhood that had no transmission lines.

-No analysis is done of sales of upper bracket homes in Sunfish Lake and Mendota Heights which would be adversely impacted by power lines. There are fewer buyers for these types of homes and the buyers can afford to be more discriminating about features, Negative features such as transmission lines will make a property less desirable, resulting in a lower price and/or longer time to sell.

-Many other factors impact the sale of a house: interest rates, supply, financing and so forth, In order to do an accurate study, these other variables would have to be held constant within the comparisons. This is impossible, but exposes the methodology of the study as flawed.

-For the above mentioned reasons, the reduction in property value and longer selling times which are mentioned in the report underestimate the affect of power lines on property value.

Respectfully submitted,



John J. Hannahan
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