

Big Stone South to Ellendale

March 5 2013

Chad Miller

Montana-Dakota Utilities Co.

400 North Fourth Street

Bismarck, ND 58501-4092

We the board of supervisors in Farmington township in Day Co. SD are opposed to the routing of 345 Kv transmission line through good cultivated land in our township. The line would be a hazard to the farmers to farm around, spray around & the arial spraying.

Farmington township board
Mike Olson Supervisor

Robert Johnson Supervisor

Carl D. Hill Supervisor

Bill Olson Treasurer

Travis Olson Welder

James C. Carter Clerk



March 14, 2013

Farmington Township Board
c/o Milo Olson
41650 125th Street
Langford, SD 57454

RE: Big Stone South to Ellendale (BSSE) Response to Mailed Comment

Dear Mr. Olson and the Farmington Township Board,

Thank you for your comment dated March 5, 2013 voicing the Board's position on the routing of the Big Stone South to Ellendale (BSSE) project through farmland in your township. We appreciate your input and participation in the project. To minimize impacts within fields, our routing criteria will help keep the new transmission line on field lines, section lines and quarter section lines where possible and acceptable to the landowner. We are currently reviewing the preliminary routes that have been developed through the routing process, using input gathered through the public open house routing meetings and website and email comments, along with agency input and environmental and engineering considerations. Using this input and data, the project team will identify a preferred route.

If you have further questions or comments you would like us to address for the Big Stone South to Ellendale project, please call our toll-free information line at 1-888-283-4678, email us at info@bssetransmissionline.com, or visit our website at www.bssetransmissionline.com.

Sincerely,

Chad Miller

for Montana-Dakota Utilities, Co. on behalf of The Big Stone South to Ellendale Team

DAY COUNTY AUDITOR

711 W FIRST STREET, Ste #204
WEBSTER SD 57274

TELEPHONE 605-345-9500
FAX 605-345-9515

RECEIVED
APR 29 2013
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

April 26, 2013

Public Utilities Commission
500 East Capitol Ave
Pierre, SD 57501

Dear PUC,

On behalf of the Day County Commissioners, I am submitting copies of letters from 3 townships. Farmington, Highland, and Valley Townships in Day County have expressed opposition to the Big Stone South to Ellendale transmission line.

Please take their opinions into consideration.

If you should have any questions, please contact me at (605) 345-9500 or dcaud@itetel.com

Sincerely



Sandra Raap,
Day County Auditor

March 19th Com. Mtg

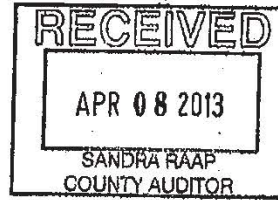
Big Stone South to Ellendale March 5 2013
Chad Miller
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, N'D 58501-4092

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Farmington township board
Neil Olson

Robert J. Peterson	Supervisor
Dee J. Miller	Supervisor
Neil Olson	Treasurer
Travis Olson	weed man
James D. Olson	alder

Highland Township
Day County, South Dakota
04/06/2013



Day County Commissioners
711 W. 1st Street
Webster, SD 57274

Dear Day County Commissioners:

On behalf of the residents of Highland Township, the township supervisors would like to express their opposition to the planned transmission line for the Big Stone South to Ellendale. The primary reasons that we are opposed are as follows:

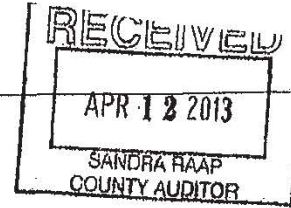
- Devaluation of property
- Safety concerns
- Limitation of future farming practices (irrigation, tiling, auto-steer capabilities, etc.)
- One-time limited easement payment

Respectfully,

Wayne Schlatter
Wayne Anderson
Mike Dale

Highland Township

COPY



VALLEY TOWNSHIP

DAY COUNTY, SOUTH DAKOTA

April 9, 2013

Day County Commissioners
711 West 1st Street
Webster, SD 57274

Dear Day County Commissioners:

On behalf of the residents of our township, the Valley Township Board of Supervisors would like to express their opposition to the planned transmission line for the Big Stone South To Ellendale project.

The primary reasons for our opposition to the project as presented, are as follows:

- **Devaluation of property**
- **Limitation of future farming practices, i.e. irrigation, tilling, auto-steer capabilities, etc.**
- **One-time limited easement payment**
- **Safety concerns**

Sincerely,

Michael Herr
Brent Zimmerman
Wesley Jensen

VALLEY TOWNSHIP BOARD OF SUPERVISORS



Big Stone South to Ellendale

May 24, 2013

Wayne Anderson
Highland Township
14908 432nd Ave
Webster, SD 57274

**RE: Project Update with Preferred Route
Montana-Dakota Utilities Co. and Otter Tail Power Company
Proposed Big Stone South to Ellendale 345 kV Transmission Line Project**

Dear Wayne,

Montana-Dakota Utilities Co. and Otter Tail Power Company have selected a preferred route for the proposed Big Stone South to Ellendale 345 kV transmission line project. As you may recall, the line will be 160 miles to 170 miles long and routed between a new substation to be located near Ellendale in Dickey County, North Dakota, and Big Stone South substation located near Big Stone City in Grant County, South Dakota. The Mid-Continent Independent System Operator (MISO, formally Midwest Independent Transmission System Operator) identified the need for this transmission line to improve reliability, increase electric system capacity and support public policy by enabling renewable and other forms of energy to integrate into the electric system. You can find more information by visiting www.BSSEtransmissionline.com, calling our toll-free information line at (888) 283-4678, or contacting Chad Miller or Al Koeckeritz (information below).

In January, February and March 2013, we gathered input from tribal, federal, state, and local agencies and the public. We discussed routing constraints and opportunities near preliminary routes. Using this input, along with environmental and engineering considerations, the project team developed the preferred route (see enclosed map).

We evaluated the following criteria to identify the preferred route:

- Existing rights-of-way (transmission lines, pipelines, railway, or roads), survey lines, and natural division lines
- Distance from homes
- Populated areas
- High densities of important natural features
- High densities of cultural properties and sensitive traditional areas
- River crossing locations
- Public and private airports
- Length
- Input from agencies and landowners
- Input from tribes

Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

Please note that Montana-Dakota Utilities Co. and Otter Tail Power Company will be finalizing the route details in the next month in order to submit state routing permit applications in later this year. We appreciate your ongoing participation in this project and look forward to continuing to work with you. If you have questions, comments or feedback, please contact Al Koeckeritz at (218) 739-8416, akoeckeritz@otpc.com or Chad Miller at (701) 222-7865, chad.miller@mdu.com, or by mail at the address below.

Al Koeckeritz
Otter Tail Power Company
215 S. Cascade St
Fergus Falls, MN 56537

Chad Miller
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501-4092

Sincerely,

Montana-Dakota Utilities Co.



Henry Ford
Project Developer

Otter Tail Power Company



Dean Pawlowski
Project Developer

Enclosures: Preferred

Route

Map



Big Stone South to Ellendale

May 24, 2013

Brent Zimmerman
Valley Township
14648 423rd Ave
Bristol, SD 57219

**RE: Project Update with Preferred Route
Montana-Dakota Utilities Co. and Otter Tail Power Company
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Dear Brent,

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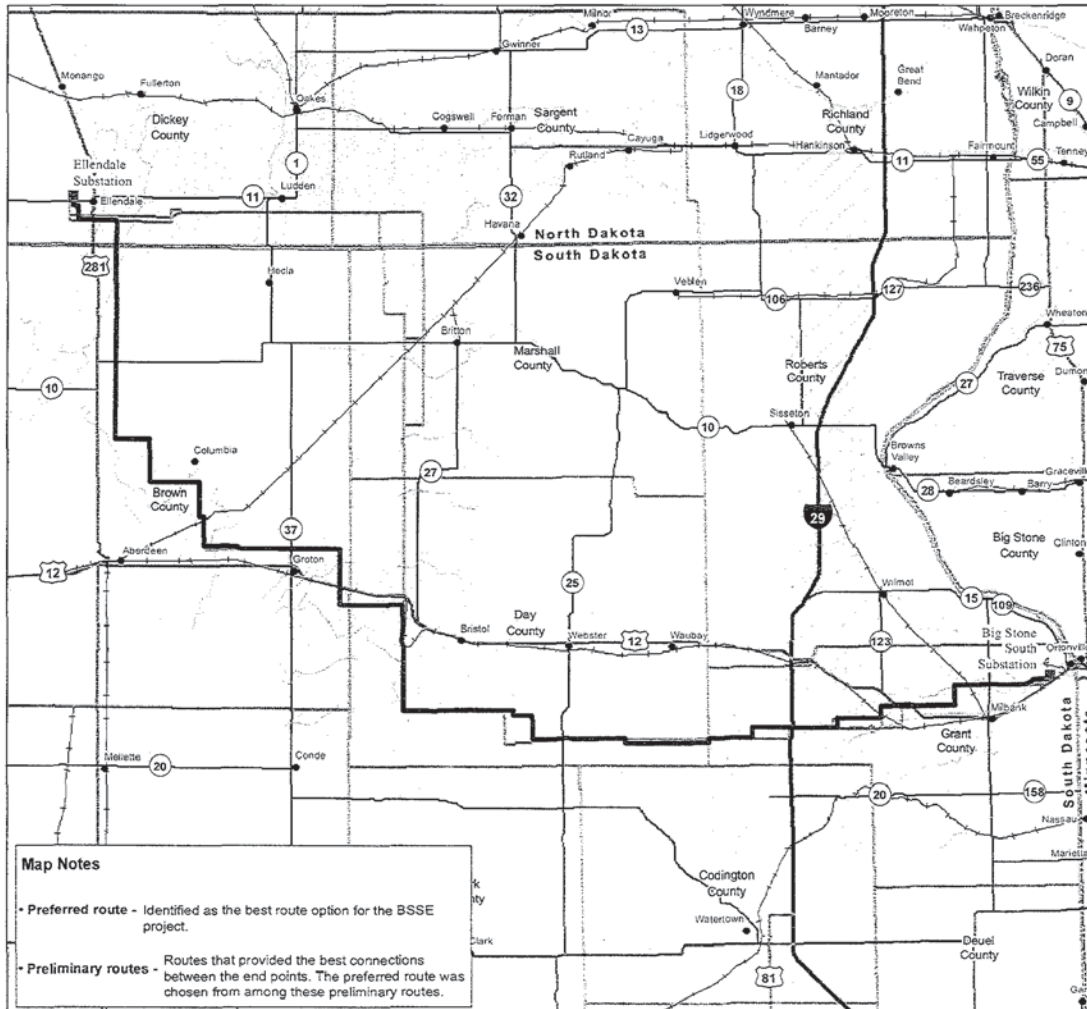


Dean Pawlowski
Project Developer

Enclosures: Preferred

Route

Map



Preferred Route
Big Stone South to Ellendale
345 kV Transmission Line Project
North Dakota and South Dakota
May 2013

- Preferred Route
- Preliminary Route
- Project End Point
- Study Corridors
- Corridors Not Currently Under Consideration
- Lake
- Stream
- Railroad
- County Boundary
- State Boundary

0 5 10 Miles
BSS
 Big Stone South to Ellendale

Map Notes

- Preferred route - Identified as the best route option for the BSSE project.
- Preliminary routes - Routes that provided the best connections between the end points. The preferred route was chosen from among these preliminary routes.

Path: X:\0201_01\156615\map_6001\Agency\Agency\Letter\Map\BSSE_0111_PrelimRoute_County\0111.mxd

BSSE000278

001795

DAY COUNTY AUDITOR

711 W FIRST STREET, Ste #204
WEBSTER SD 57274

TELEPHONE 605-345-9500
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March 19th Com. Mtg

Big Stone south to Ellendale

March 5 2013

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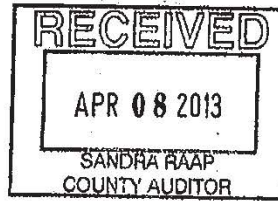
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Travis Olson	weapman
James C. Olson	clerk

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Day County, South Dakota
04/06/2013



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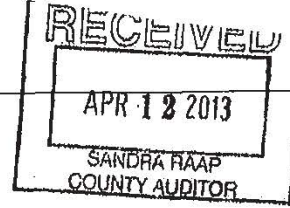
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Big Stone South to Ellendale

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Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

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Chad Miller
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Sincerely,

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Henry Ford
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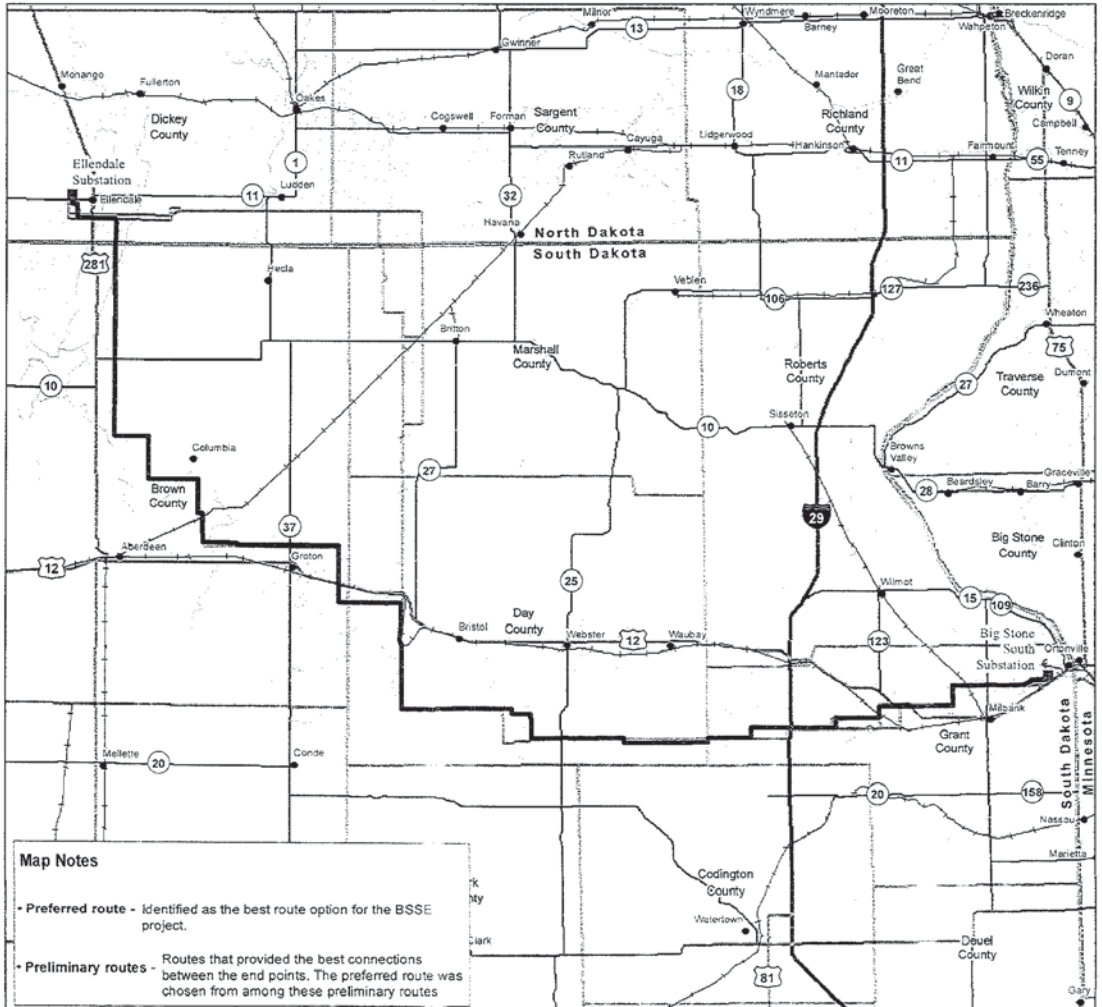
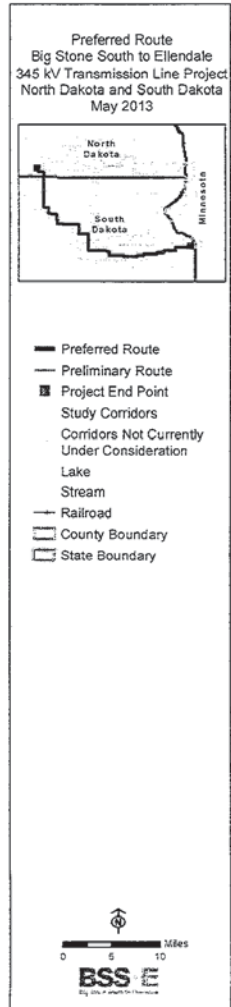


Dean Pawlowski
Project Developer

Enclosures: Preferred

Route

Map



Map Notes

- Preferred route - Identified as the best route option for the BSSE project.
- Preliminary routes - Routes that provided the best connections between the end points. The preferred route was chosen from among these preliminary routes

BSSE000285

EVENT 7134

Landowner Notification of Preferred Route



Big Stone South to Ellendale

<DATE>

ADDRESS

**RE: Project Update with Preferred Route
Montana-Dakota Utilities Co. and Otter Tail Power Company
Proposed Big Stone South to Ellendale 345 kV Transmission Line Project**

Dear NAME,

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To determine the preferred route, Montana-Dakota Utilities Co. and Otter Tail Power Company went through an extensive routing process. Below are the major routing steps that were completed over the past year:

- Defined the study area
- Identified study corridors
- Identified route segment alternatives
- Refined the focus study corridors
- Evaluated route segments within the focus study corridors (route segment alternatives)
- Identified preliminary routes

To identify the preferred route, Montana-Dakota Utilities Co. and Otter Tail Power Company took into account large amounts of data, including:

- Environmental and engineering considerations
- Input from agencies, tribes and local officials
- Input from landowners obtained at public open house meetings
- Input from the public through the website, mailings and information line

According to our information, you own property along or adjacent to the preferred route.
We will continue to notify you about the BSSE project as it progresses through the state

Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

permitting processes. As the project moves forward, and if an easement is required on your property, a land agent on the BSSE project team will contact you to discuss the next steps.

If you have questions or comments you would like us to address for the BSSE project, please call our toll-free information line at 1-888-283-4678, email us at info@bssetransmissionline.com or visit our website at www.bssetransmissionline.com.

Sincerely,

Montana-Dakota Utilities Co.

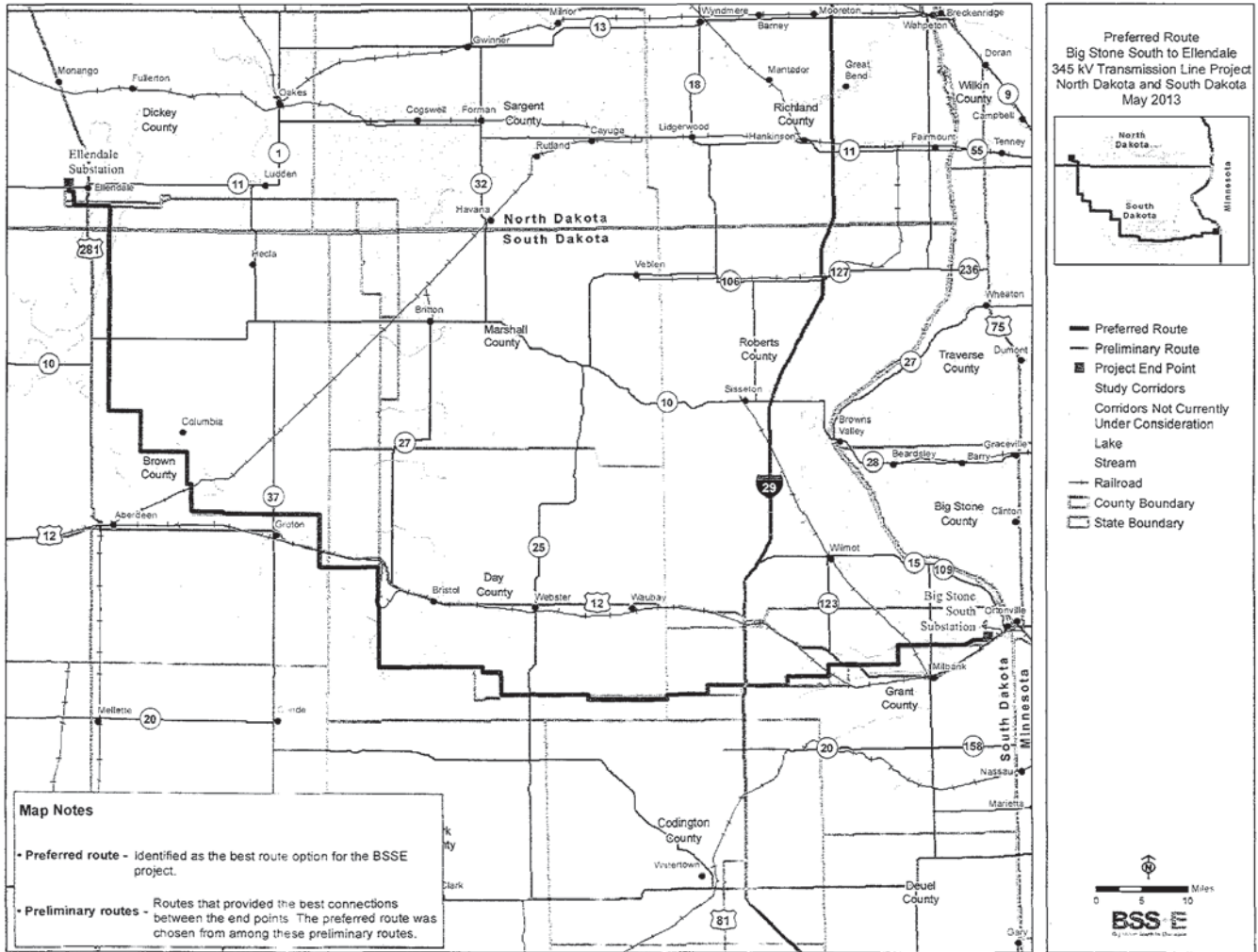
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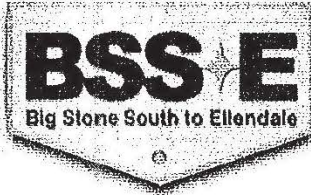
Henry Ford
Project Developer

Dean Pawlowski
Project Developer

Enclosures: Preferred Route Map



BSSE000289



Frequently Asked Questions

June 2013



How did you determine where the transmission line will be located?

The project team identified a preferred route using input gathered from the public at routing meetings along with agency input and environmental and engineering considerations. For more information, please refer to the summary outreach document located on our website at www.bssetransmissionline.com/routing.

How far will your transmission line be from homes?

No homes will be located within our right-of-way, which is 150 feet wide. This means the minimum distance a home could be from the centerline of our project is 75 feet. In addition, we adopted a goal to minimize the number of homes within 500 feet of the project centerline.

How are affected landowners compensated?

Right-of-way agents will prepare a specific estimate for each landowner based on a consistent payment formula. Total compensation for each easement varies, depending on factors such as the local market value of land, the calculated acreage for the right-of-way, current land use, and whether poles will be located in the easement.

Why do landowners receive a one-time payment instead of annual payments?

We will offer landowners a single payment to cover the cost of the easement footprint, the inconvenience of structures on the property, and impact to agricultural operations. This approach follows the established compensation process for transmission lines within the region. Annual payments are traditionally associated with generation projects on private land. These assets generate a commodity that is marketed to the public. For example, wind farms usually make annual payments to landowners because they sell the energy generated on the landowner's property. Often the payments fluctuate with the amount of energy being produced.

In comparison to generation projects, transmission lines are generally low impact to land use, with the greatest disturbance occurring during construction. During operation of the transmission line, the structures themselves will take approximately 0.01 acres per mile out of production. Therefore, because of this relatively small impact, the established one-time payment should sufficiently reimburse landowners.

How will you handle construction damage on my property?

During the construction phase, inspectors retained for the project will monitor and record damages when they occur. We will review each case and determine a course of repair. The responsibility and cost for any repairs belong to us.

How will I be compensated for crop damage during construction?

We will compensate landowners for crop damages that occur during construction. The damage payment for standing crops will be determined by the following formula: acres x yield x price per bushel. During the year construction is completed, project representatives and the landowner will jointly determine the acres of crop affected by construction. Reimbursement will be based on the average yield of the adjoining crops and prevailing price per bushel being paid by a comparison of values from local elevators or current contractual arrangement. For the three consecutive years following construction, the project will make an additional payment for the potential of loss in crop yield based on this schedule:

- Year 1 - 50% of the value of the crop damage payment agreed to during the construction season;
- Year 2 and Year 3 - 25% of the value of the crop damage payment agreed to during the construction season.

Will I be able to farm around the structures?

Farming activities can occur within the right-of-way and adjacent to the structure. Additionally, our proposed offset from field lines for the portions of the route that are adjacent to roadways allows most landowners to use their largest equipment between the transmission structures and the road right-of-way.

Will having this transmission line on my land preclude me from having wind turbines?

Having a transmission line on your parcel will not automatically preclude that land from wind development. This project will increase capacity for wind energy in North Dakota, South Dakota, and the region. Often, within a wind farm, there are parcels that contain both wind turbines and transmission lines that connect to the wind farm's interconnection point. Turbine placement depends on many factors, including setback distances from homes, structures and roads, as well as environmental and engineering siting considerations. While a turbine would not typically be placed within the immediate vicinity (i.e. fall down distance) of a high-voltage transmission line, this setback is similar to or less than setbacks from many other features.

What impacts will the transmission line have to aerial sprayers?

Crop dusters are able to spray fields with transmission structures within or adjacent to them. We will work with the Federal Aviation Administration (FAA) to meet requirements for airports and runways.

Will the new transmission line interfere with GPS auto-steering reception?

A GPS unit in farming equipment should work properly with a high degree of accuracy underneath the transmission line. GPS devices continually pull signals from a number of satellites, not just one. A signal may be blocked temporarily if the transmission structure is between the receiver and a weak satellite signal, but it will return as the farm equipment moves past the structure. It is also common for GPS receivers to drop and pick up signals even in the absence of transmission lines and structures. We can provide the transmission structures' GPS points to landowners to help farm equipment navigate around structures.

Is it safe for livestock to graze under the transmission line?

Yes. Current scientific research shows no safety concerns or effects on production for livestock grazing under a high-voltage transmission line.

What is EMF and is it harmful?

EMF stands for electric and magnetic fields, both of which are part of natural and manmade environments. These fields are present wherever electricity is generated, transmitted, and used. Electric fields are produced by the electrical strength (voltage), and magnetic fields are produced by electric current or movement of the electricity through a conductor. There is no reliable scientific basis to conclude that EMF is harmful. Numerous studies have been completed to determine if there is an association between EMF and human health effects. Several scientific organizations, including the American Medical Association, American Cancer Society, American Physical Society and National Academy of Sciences, have stated that the body of evidence for EMF indicates that exposure to these fields does not present a human health hazard. (*Environmental Protection Agency; www.epa.gov/radtown/power-lines.html*)

What is stray voltage?

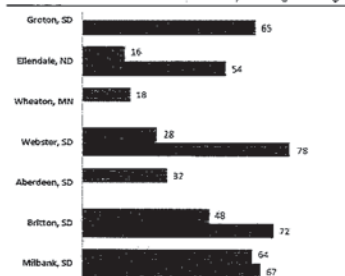
Stray voltage is an accidental difference in electrical potential between two objects. For example, if a cow touches a poorly grounded metal object in a building with her nose and is standing on a damp floor, and if the metal object and the floor have different electrical potentials, then a weak electric current will pass through the cow's body. Although this is not fatal for the animal, stray voltage issues need to be addressed, and they can be corrected. Stray voltage is typically caused by wiring and electrical connections on a farm associated with the distribution lines that come from the distribution system to your farm, not from transmission lines that do not directly connect to businesses or residences. In some circumstances transmission lines can induce stray voltage onto large metallic objects or onto a distribution circuit in very close proximity to the transmission line. Stray voltage is taken into account in routing and siting and is not anticipated to be an issue for this project. If a landowner identifies stray voltage as a result of this project, we will take appropriate measures to address the issue.



Meeting Summary

Montana-Dakota Utilities Co. and Otter Tail Power Company held 6 open house meetings in October 2012 to gather feedback on the study corridors. The feedback received at these meetings was reviewed and considered as the preliminary routes were developed. In February 2013, 5 open house meetings were held to present the preliminary routes. The feedback received at the February meetings was reviewed and considered as the preferred route was developed. Additionally, the project team met with federal, state and local agencies, tribal leaders, elected officials and organizations throughout the process to gather their feedback.

Meeting Attendance



Frequently Asked Questions

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BSS+E
The BSS+E project team
Big Stone South to Ellendale

Dear Readers,
We have a preferred route. After a year-long routing process, which many of you participated in, the BSS+E project team identified a preferred route for the new 345 kV transmission line. We appreciate your participation in the routing process. The final route will be determined through the application processes. The BSS+E team anticipates submitting the route applications in late summer or early fall of 2013. As the project continues, we will use this newsletter to keep you updated on the project.

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June 2013 Issue

P O W E R D E L I V E R E D

BSS+E
Big Stone South to Ellendale
HDR Engineering
701 Xenia Ave Suite 600
Minneapolis, Minnesota 55416

WHAT'S INSIDE?

- Public outreach summary
- Preferred route map
- Updated project schedule
- Frequently-asked questions

P O W E R D E L I V E R E D

Want to find out more or provide feedback?

If you have additional comments or questions, feel free to use any of the following ways to reach our project team:

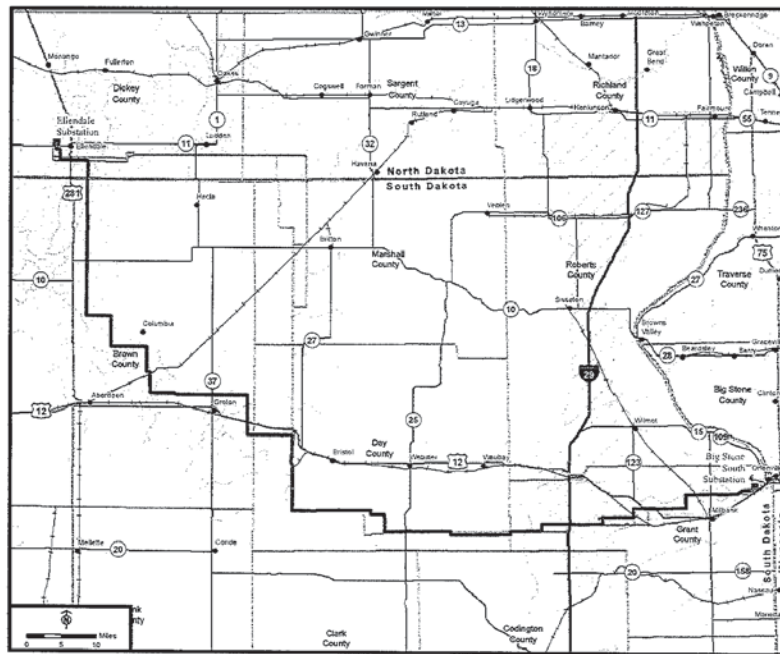
Visit our website:
www.BSSETransmissionLine.com

Call our information line:
1-888-283-4678

Email us:
info@BSSETransmissionLine.com

Project Basics:

- New 345 kV transmission line
- End points: proposed Ellendale 345 kV substation and proposed Big Stone South substation
- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: \$300 million - \$340 million



Map Legend:

- Preferred Route
Identified as the best route option for the BSSE project.
- Preliminary Route
Routes that provided the best connections between end points. The preferred route was chosen from among these preliminary routes.
- Project End Point
- Study Corridors
- Corridors Not Currently Under Consideration
- Lake
- Stream
- Railroad
- ▭ County Boundary
- ▭ State Boundary

Project Schedule:



Permitting News

One of the major steps in permitting a transmission line is the submittal of a state permit application to the governing utility authority. In the case of the BSSE project, there are two such permitting authorities – the South Dakota Public Utilities Commission (SDPUC) and the North Dakota Public Service Commission (NDPSC) – and therefore, two applications to be filed.

On August 23, 2013, the BSSE project team filed a Facility Permit Application with the SDPUC for the South Dakota portion of the project. The application included a project overview, maps, and a complete analysis of the transmission line.

The SDPUC will review the application for completeness and line design and, ultimately, issue a permit to construct. The SDPUC scheduled public hearings that anyone can attend and offer comments on the application and project.

We anticipate that the North Dakota application will be submitted in October. Once the application is filed, we will provide updates on our information hotline and project website with the NDPSC docket number and hearing notice.

Review the South Dakota Facility Permit Application at www.puc.sd.gov/Dockets/Electric/2013/EL13-028.aspx.

Public Hearings

The South Dakota Public Utilities Commission will hold two public hearings on the Facility Permit Application on **October 17, 2013**.

	Hearing 1 October 17 at 12:00 p.m. Northern State University Student Center, Centennial Rooms 1200 South Jay Street Aberdeen, South Dakota	Hearing 2 October 17 at 7:00 p.m. Milbank Visitor Center Community Room 1001 East Fourth Street Milbank, South Dakota
--	---	--

Frequently Asked Questions

Why do landowners receive a one-time payment instead of annual payments?

We will offer landowners a single payment to cover the cost of the easement footprint, structures on the property, and impact to agricultural operations. This approach follows the established compensation process for transmission lines within the region. Annual payments are traditionally associated with generation projects on private land. These assets generate a commodity that is marketed to the public. For example, wind farms usually make annual payments to landowners because they sell the energy generated on the landowner's property. Often the payments fluctuate with the amount of energy being produced.

In comparison to generation projects, transmission lines generally have low impact to land use, with the greatest disturbance occurring during construction. During operation of the transmission line, the structures themselves will take approximately 0.01 acres per mile out of production.

How will you deal with damage to roads?

During the construction phase, inspectors retained for the project will monitor and record damages when they occur. Likewise, the inspectors will monitor and record damages on public roadways. We will review each case and work with local authorities to determine a course of repair. The responsibility and cost for any repairs belong to us.

POWER DELIVERED

October 2013 Issue



Dear Readers,

On August 23, 2013, Montana-Dakota Utilities Co. and Otter Tail Power Company submitted a Facility Permit Application to the South Dakota Public Utilities Commission for the portion of the project located in South Dakota. This is a milestone for the project.

In addition to the ongoing permitting activities, our land agents are also out in the field contacting landowners along the route to discuss right-of-way options and easements. If you haven't been contacted yet and you own land along the route, you will be contacted soon. Additionally, our project team is continuing work towards engineering design by identifying structure locations and two fiber optic regeneration stations along the route.

Thank you for your participation in the Big Stone South to Ellendale (BSSE) project!

The BSSE project team

BSSE
Big Stone South to Ellendale

WHAT'S INSIDE?

- Facility Permit Application filed in South Dakota
- Public input hearing dates and locations
- Route map
- Updated project schedule
- Frequently asked questions

BSSE000294

001811

BSSE PREFERRED ROUTE

Want to find out more or provide feedback?

If you have additional comments or questions, feel free to use any of the following ways to reach our project team:

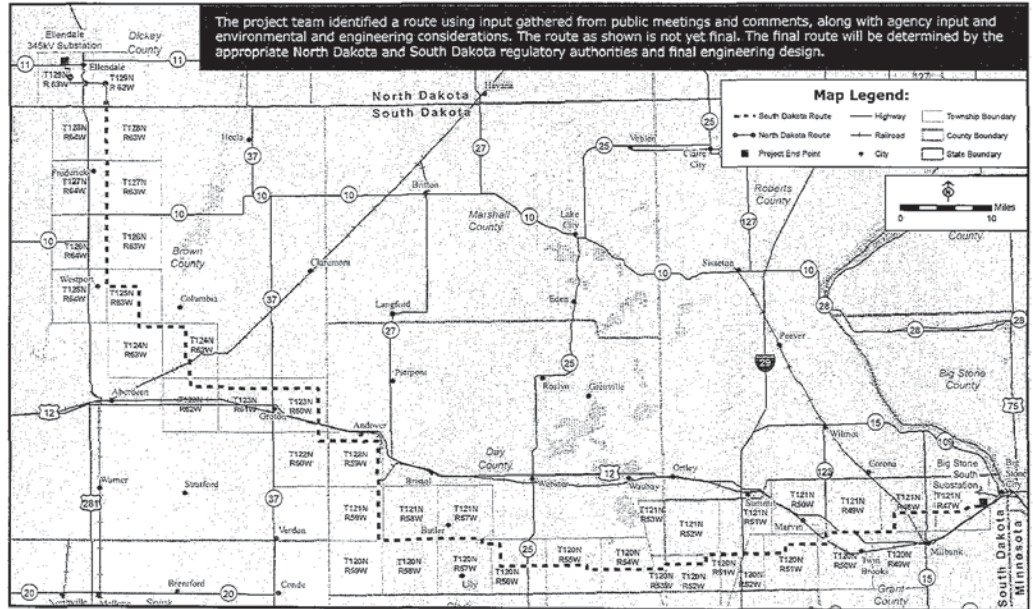
Visit our website:
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Call our information line:
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- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: \$293 million - \$370 million



Project Schedule:



BSS E

Big Stone South to Ellendale

October __, 2013

ADDRESS

**RE: Second Letter Attempt
In the Matter of the Transmission Permit for the Big Stone South to Ellendale
Project (SD PUC Docket No. EL 13-028)
Montana-Dakota Utilities Co. and Otter Tail Power Company**

Dear NAME,

On August 23, 2013, Montana-Dakota Utilities Co. and Otter Tail Power Company filed a Facility Permit Application with the South Dakota Public Utilities Commission (Commission) for the proposed Big Stone South to Ellendale 345 kV transmission line project. As you may recall, the project will be 160 miles to 170 miles long and routed between a new substation to be located near Ellendale in Dickey County, North Dakota, and the Big Stone South substation near Big Stone City in Grant County, South Dakota. The South Dakota portion will be about 150 to 160 miles long.

You are the landowner designated to receive the property tax bill of land located within one-half mile of the proposed site for the transmission line. Therefore, you are receiving a notice of public hearing (enclosed) relating to this project's Application to the Commission for a Facility Permit. We also have enclosed a map showing this project's proposed route and location.

The Commission will hold two public input hearings on the Application on Thursday, October 17, 2013:

Hearing 1
Thursday, October 17, 2013
12:00 pm
Northern State University Student Center,
Centennial Rooms
1200 South Jay Street
Aberdeen, SD

Hearing 2
Thursday, October 17, 2013
7:00 pm
Milbank Visitor Center,
Community Room
1001 East Fourth Street
Milbank, SD

Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

Additional project information, including more detailed maps, is available at our website
www.bssetransmissionline.com or by calling the information line 1-888-283-4678.

Sincerely,

Montana-Dakota Utilities Co.

Otter Tail Power Company

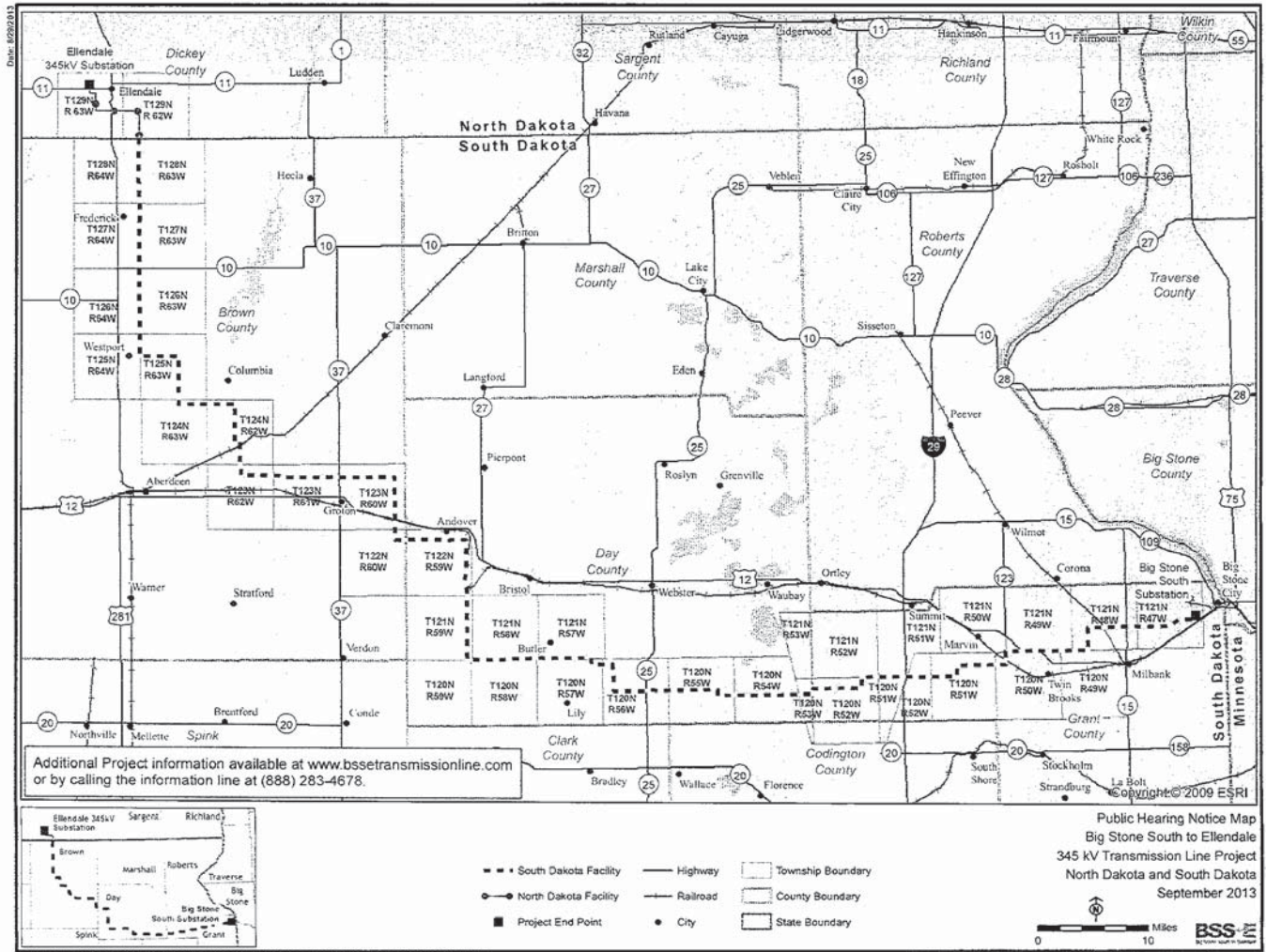


Henry Ford
Project Developer

Dean Pawlowski
Project Developer

Enclosures:

1. Notice of Public Hearing
2. Public Hearing Notice Map



BSSE000298

001815

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	NOTICE OF APPLICATION;
MONTANA-DAKOTA UTILITIES CO. AND)	ORDER FOR AND NOTICE OF
OTTER TAIL POWER COMPANY FOR A)	PUBLIC INPUT HEARINGS;
PERMIT TO CONSTRUCT THE BIG STONE)	NOTICE OF OPPORTUNITY TO
SOUTH TO ELLENDALE 345 KV)	APPLY FOR PARTY STATUS
TRANSMISSION LINE)	
)	EL13-028

On August 23, 2013, jointly Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., a Delaware corporation, and Otter Tail Power Company, a Minnesota corporation, (jointly, the Applicants) filed with the South Dakota Public Utilities Commission (Commission) an Application for a Facility Permit for the Big Stone South to Ellendale 345 kV Transmission Line project (Application) and a Motion to Schedule Prehearing Conference (Motion). The Application requests Commission approval of a permit to construct a 345-kilovolt (kV) transmission line of approximately 150 to 160 miles in South Dakota (Project). The line will cross the South Dakota and North Dakota border in Brown County, South Dakota, and extend south and east through Brown, Day, and Grant counties to the Big Stone South Substation in Grant County, South Dakota, near Big Stone City. Modifications to the Project may occur depending on the final route permitted, land rights, and final engineering design. The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-41B and ARSD Chapter 20:10:22.

Pursuant to SDCL 49-41B-15 and 49-41B-16, the Commission will hold public input hearings on the Application on Thursday, October 17, 2013:

(1) at noon (12:00 p.m. CDT) in the Centennial Rooms of the Student Center on the campus of Northern State University, 1200 South Jay Street, Aberdeen, S.D. (parking available without permit in the lot along Washington Street between 12th and 14th Avenues - driving directions and map at <http://www.northern.edu/about/pages/directions.aspx> and <http://www.northern.edu/about/Publishing/Images/wirelessmap.pdf>)

(2) at 7:00 p.m. CDT in the Community Room of the Milbank Visitor Center, 1001 East Fourth Avenue, Milbank, S.D.

The purpose of these public input hearings will be to hear public comment regarding the transmission line permit Application and the Project. At the hearings, Applicants will present a brief description of the Project, following which interested persons may appear and present their views, comments and questions regarding the Application. A copy of the Application is on file with the Brown, Day, and Grant County Auditors pursuant to SDCL 49-41B-15(5) and at the Commission's office in Pierre. The Application and all other documents in the case, including detailed maps of the Project, may be accessed on the Commission's web site at www.puc.sd.gov under Commission Actions, Commission Dockets, Electric Dockets, 2013 Electric Dockets, EL13-028.

Pursuant to SDCL 49-41B-17 and ARSD 20:10:22:40, the parties to this proceeding are currently the Applicants and the Commission. Any person residing in the area of the Project; each municipality, county, and governmental agency in the area where the Project is proposed to be sited; any non-profit organization formed in whole or in part to promote conservation or natural beauty, to protect the environment, personal health or other biological values, to preserve historical sites, to promote consumer interests, to represent commercial and industrial groups, or to promote the orderly development of the area in which the Project is to be sited; or any interested person, may be granted party status in this proceeding by making written application to the Commission. Applications for party status will be available at the public input hearings or may be obtained from

the Commission's web site or by contacting the Commission. Applications for party status must be received by the Commission on or before October 22, 2013.

Following the public input hearings, the Commission may schedule a formal evidentiary hearings conforming to SDCL Chapter 1-26 to consider any issues raised by any intervening party, Commission Staff, or the Commission itself. At such formal hearing, all parties will have the opportunity to appear, present evidence, and cross-examine the other parties' witnesses and exercise all other rights afforded by SDCL Chapters 1-26, 49-1, and 49-41B and ARSD Chapters 20:10:01 and 20:10:22, including rights of appeal to the courts. Absent a contested issue, the Commission will schedule the matter for decision at a regular or special meeting of the Commission.

For approval, the Applicants must show that the proposed transmission Project will comply with all applicable laws and rules, will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area, will not substantially impair the health, safety or welfare of the inhabitants, and will not unduly interfere with the orderly development of the region with due consideration having been given to the views of governing bodies of affected local units of government. Based upon these factors, the Commission will decide whether the permit should be granted, denied, or granted upon such terms, conditions or modifications of the construction, operation or maintenance as the Commission finds appropriate. It is therefore

ORDERED, that the Commission will hold public input hearings on the Project at noon (12:00 p.m. CDT) in the Centennial Rooms of the Student Center on the campus of Northern State University, 1200 South Jay Street, Aberdeen, S.D. and at 7:00 p.m. CDT in the Community Room of the Milbank Visitor Center, 1001 East Fourth Avenue, Milbank, S.D. It is further

ORDERED, that pursuant to SDCL 49-41B-17 and ARSD 20:10:22:40, applications for party status must be filed on or before October 22, 2013, and that pursuant to SDCL 49-41B-17.1, a party who wishes to receive personal service of all material filed in this matter shall make a specific request to the Commission for personal service, which may be included in the application for party status.

Pursuant to the Americans with Disabilities Act, these hearings will be held in physically accessible locations. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 26th day of August, 2013.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Loy Lashley</u>
Date:	<u>8-26-13</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Permitting News

Montana-Dakota Utilities Co. and Otter Tail Power Company have developed and submitted two state permit applications – one to the South Dakota Public Utilities Commission (SDPUC) and one to the North Dakota Public Service Commission (NDPSC).

The BSSE project team filed a Facility Permit Application with the SDPUC for the South Dakota portion of the project on August 23, 2013. The SDPUC held public hearings on October 17, 2013, in Aberdeen and Milbank, South Dakota.

On October 18, 2013, the BSSE project team filed a Corridor Certificate and Route Permit Application with the NDPSC for the North Dakota portion of the project. Watch your local newspaper for NDPSC's announcement of the date and location of the upcoming public hearing.

The SDPUC and NDPSC are reviewing their respective applications for completeness. If the applications meet all requirements, the Commissions each will issue permits to construct.

Review the Applications

View the NDPSC Corridor Certificate and Route Permit Application and the SDPUC Facility Permit Application on our website's Resources page at:

www.bssetransmissionline.com/resources

Here's what you'll see at the top left-hand corner of the Resources page:

Resources

Permitting Documents

South Dakota:

- [Application to the Public Utilities Commission of the State of South Dakota for a Facility Permit](#)

North Dakota:

- [Completed Application to the North Dakota Public Service Commission for a Corridor Certificate and Route Permit](#)

POWER DELIVERED



January 2014 Issue

Dear Readers,

The Big Stone South to Ellendale Transmission Line Project has reached another milestone. On October 18, 2013, Montana-Dakota Utilities Co. and Otter Tail Power Company filed a combined application to the North Dakota Public Service Commission (PSC) for a Corridor Certificate and Route Permit.

Additionally, the South Dakota Public Utilities Certificate and Route Permit.

Thank you to all landowners along the transmission line route. We have appreciated your input throughout the routing process, and we will continue to answer your questions and address your concerns as we move into the engineering design and right-of-way processes.

The BSSE project team

Big Stone South to Ellendale

Commission (PUC) held two public hearings on October 17, 2013, in Aberdeen and in Milbank on the South Dakota Facility Permit Application.



Want to find out more or provide feedback?

If you have additional comments or questions, feel free to contact our project team.

Visit our website
www.BSSETransmissionLine.com

Call our information line
1-888-283-4678

Email us
info@BSSETransmissionLine.com

Project Basics

- New 345 kV transmission line
- End points: proposed Ellendale 345 kV substation and proposed Big Stone South substation
- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: \$293 million - \$370 million



BSS-E

Big Stone South to Ellendale
HDR Engineering
701 Xenia Ave Suite 600
Minneapolis, Minnesota 55416

WHAT'S INSIDE?

- Introduction to the right-of-way team and process
- Corridor Certificate and Route Permit Application filed in North Dakota
- Updated project schedule

POWER DELIVERED

BSSE000301

001818

Easement Negotiation Process



Easement Value

Several factors influence the final determination of the value of an easement, including county offer value, agricultural statistics, comparable sales data, acreage impact payment, impacts of other projects, and property damage payment.

MEET THE RIGHT-OF-WAY TEAM



Melissa Christensen
 Hometown: Dilworth, MN
 Employer: KLJ
 Family: Husband Wade, one daughter, one son
 Experience: Right-of-way database management, title summary and local permitting for transmission lines, aviation, distribution and water right-of-way efforts. Chapter 72 IRWA Member.



Kevin Cummings
 Hometown: Detroit Lakes, MN
 Employer: KLJ
 Family: Wife Pamela, one daughter, one son
 Experience: Title research, negotiation & acquisition experience with transmission lines. Seven years practice as a licensed MN Realtor. Chapter 72 IRWA Member.



Kelsey Erickson
 Hometown: Bowman, ND
 Employer: KLJ
 Family: Parents Jan and Roger
 Experience: Title processes, documentation preparation, working with county tax director managing tax records, including land parcel splitting and title research. Chapter 72 IRWA Member.



Terry Fasteen
 Hometown: Detroit Lakes, MN
 Employer: KLJ
 Family: Wife Kathryn, two sons, two grandchildren
 Experience: 30 years in transmission line, aviation, distribution, rural water, and transportation right-of-way efforts. Currently the right-of-way Technical Area Manager for KLJ. Chapter 72 IRWA Member.



Brian Fjosne
 Hometown: West Fargo, ND
 Employer: KLJ
 Family: Wife Margot, four sons, two grandsons
 Experience: Title and easement work for transmission lines, rural water, county and township road work. 25 years in general sales. Chapter 72 IRWA Member.



Greg Frazier
 Hometown: Moorhead, MN
 Employer: KLJ
 Family: Two brothers
 Experience: Acquiring easements and title research for several projects and title research for surface owners and mineral title in the Williston Basin. Chapter 72 IRWA Member.



Travis Hoaglund
 Hometown: Bismarck, ND
 Employer: KLJ
 Family: One brother
 Experience: Mineral title, leasing, and production in the oil and gas industry. Also right-of-way efforts. Chapter 72 IRWA Member.



Bri Mostue
 Hometown: Rothsay, MN
 Employer: KLJ
 Family: Parents Karen and Larry, one brother
 Experience: Title search and landowner negotiations. Currently with KLJ in the right-of-way technical work area. Chapter 72 IRWA Member.



Karen Mostue
 Hometown: Rothsay, MN
 Employer: KLJ
 Family: Two children, two dogs
 Experience: 20 years in title research, title insurance, document preparation, and landowner negotiations. Licensed Real Estate Broker for ND and MN. Chapter 72 IRWA Member.



David Novstrup
 Hometown: Aberdeen, SD
 Employer: KLJ
 Family: Wife Holly, two daughters
 Experience: Four years in real estate and two years negotiating land options and/or rights-of-way.



Vicki Severson
 Hometown: Battie Lake, MN
 Employer: Otter Tail Power Co.
 Family: Husband Bryan, two sons, six grandchildren
 Experience: 36 years in public relations, marketing, and right-of-way areas. Has worked on several transmission line projects. Membership Chair for Chapter 72 IRWA and Prof. of the Year - 2012.



Chris Strand
 Hometown: Bismarck, ND
 Employer: KLJ
 Experience: Right-of-way efforts for transmission line, roadway, water, mining, and oil and gas projects in title and mineral research. Chapter 72 IRWA Member.

Full Project Schedule:





Big Stone South to Ellendale

<DATE>

ADDRESS

**RE: Project Update with Preliminary Routes
Montana-Dakota Utilities Co. and Otter Tail Power Company
Proposed Big Stone South to Ellendale 345 kV Transmission Line Project**

Dear,

Montana-Dakota Utilities Co. and Otter Tail Power Company will hold public meetings the week of February 25, 2013, to obtain feedback on the preliminary routes for the Big Stone South to Ellendale 345 kV transmission line project. As you may recall, the project consists of a proposed 345 kV transmission line that will be 150 miles to 175 miles long. The project will be located between the proposed Ellendale Junction substation, which would be located near Ellendale in Dickey County, North Dakota, and the proposed Big Stone South substation, which is part of a separate project and will be located near Big Stone City in Grant County, South Dakota. Construction of this project will improve reliability, increase system capacity and support public policy by enabling renewable energy to integrate into the system. You can find more information by visiting www.BSSEtransmissionline.com or by calling our toll-free information line at (888) 283-4678.

In October 2012, the project team gathered input from federal, state, and local agencies and the public at open house meetings within the initial study area and study corridors. This input along with field reviews, data available in the project area, and engineering factors helped to develop preliminary routes, identified on the enclosed map. The preliminary routes minimize effects upon constraints within the corridors and are the focus of route development. We evaluated the following criteria to identify the preliminary routes:

- Existing rights-of-way (transmission lines, pipelines, railway, or roads), survey lines, and natural division lines
- Populated areas
- High densities of environmental natural features
- River crossing locations
- Public and private airports
- Length

Now we are seeking information related to the preliminary routes and encourage you to attend one of our upcoming meetings. If your jurisdiction is now outside of the updated study corridors that the preliminary routes are located within (see enclosed map), you may not want to continue to provide feedback. If so, we understand and thank you for your earlier involvement. If not, we welcome your continued participation, knowing that we currently are not reviewing route options outside of the updated study corridors.

The project team will hold open house meetings at five locations during the week of February 25, 2013. These meetings will include a brief presentation followed by an open house format during which

Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

attendees may review maps and talk with project specialists. You are welcome to attend and share your ideas with the project team.

Monday, February 25	Tuesday, February 26	Wednesday, February 27
Groton Area School 5:30 – 7:00 pm Presentation at 6:00 pm Groton, SD	Fireside Restaurant and Lounge 11:30 am – 1:00 pm Presentation at 12:00 pm Ellendale, ND	The Galley 11:30 am – 1:00 pm Presentation at 12:00 pm Webster, SD
	Amacher Auditorium 5:30 – 7:00 pm Presentation at 6:00 pm Britton, SD	Milbank Visitor Center 5:30 – 7:00 pm Presentation at 6:00 pm Milbank, SD

We appreciate your ongoing participation in this project and look forward to continuing to work with you. If you have questions, comments or feedback, please contact Chad Miller at (701) 222-7865 or chad.miller@mdu.com or mail him at:

Chad Miller
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501-4092

Sincerely,

Montana-Dakota Utilities Co.



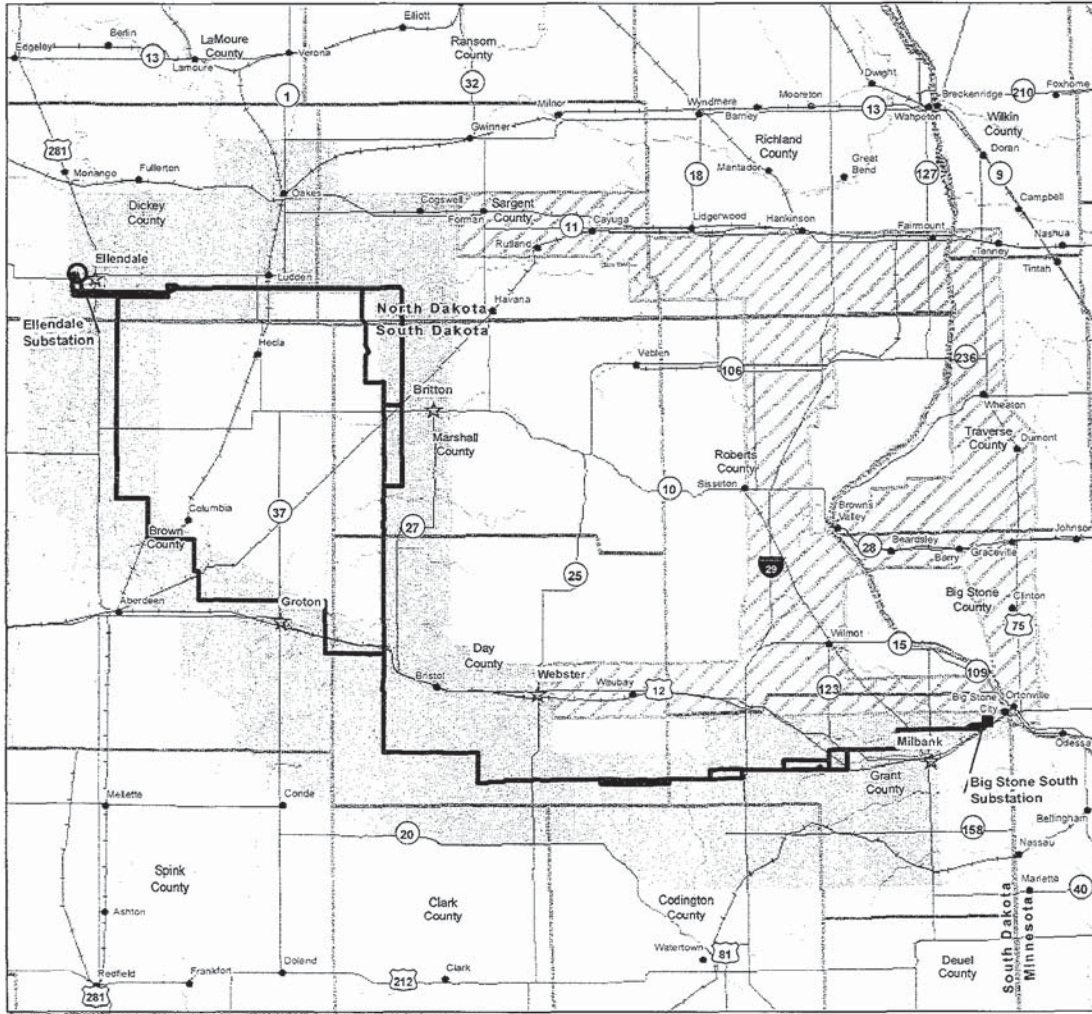
Henry Ford
Project Developer

Otter Tail Power Company



Dean Pawlowski
Project Developer

Enclosures: Preliminary Routes Map



**Big Stone South to Ellendale
345 kV Transmission Line Project
North Dakota and South Dakota**

- Preliminary Routes
- ▨ Study Corridors
- ▨ Corridors Not Currently Under Consideration
- ★ Meeting Location
- Project End Point Area
- Project End Point
- Lake
- Stream
- ▭ County Boundary
- ▭ State Boundary

BSS
Big Stone South to Ellendale

0 5 10 Miles

BSSE000305



Thank you for attending!



Thank you for attending the open houses we held between February 25 and 27, 2013. We appreciate your taking time to learn about the Big Stone South to Ellendale transmission line project and to give us your valuable feedback.

We will carefully consider all comments gathered as we identify a preferred route.

Watch your mailbox for news about the BSSE project, and make sure to check our website at www.BSSETransmissionLine.com for the latest project news.

For more information:

- Visit our website: www.BSSETransmissionLine.com
- Call our toll-free information line: **1.888.283.4678**
- Email us: info@BSSETransmissionLine.com

BSSE000306

001823



c/o HDR Engineering
701 Xenia Ave Suite 600
Minneapolis, Minnesota

BSS E is jointly managed by:



BSSE000307

001824

DAY COUNTY AUDITOR

711 W FIRST STREET, Ste #204
WEBSTER SD 57274

TELEPHONE 605-345-9500
FAX 605-345-9515

RECEIVED
APR 29 2013
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

April 26, 2013

Public Utilities Commission
500 East Capitol Ave
Pierre, SD 57501

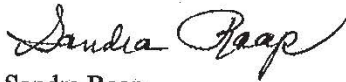
Dear PUC,

On behalf of the Day County Commissioners, I am submitting copies of letters from 3 townships. Farmington, Highland, and Valley Townships in Day County have expressed opposition to the Big Stone South to Ellendale transmission line.

Please take their opinions into consideration.

If you should have any questions, please contact me at (605) 345-9500 or dcaud@itctel.com

Sincerely



Sandra Raap,
Day County Auditor

March 19th Com. Mtg

Big Stone south to Ellendale

March 5 2013

Chad Miller

Montana-Dakota Utilities Co.

400 North Fourth Street

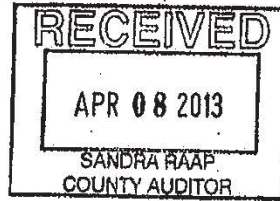
Bismarck, N.D. 58501-4092

We the board of supervisors in Farmington township in Day Co. SD are opposed to the routing of 345 Kv transmission line through good cultivated land in our township. The line would be a hazard to the farmers to farm around, spray around & the aerial spraying.

Farmington township board
Neil Olson

Robert Patin	Supervisor
Neil Olson	Secretary
Neil Olson	Treasurer
Travis Olson	Welder
James Olson	Electrician

Highland Township
Day County, South Dakota
04/06/2013



Day County Commissioners
711 W. 1st Street
Webster, SD 57274

Dear Day County Commissioners:

On behalf of the residents of Highland Township, the township supervisors would like to express their opposition to the planned transmission line for the Big Stone South to Ellendale. The primary reasons that we are opposed are as follows:

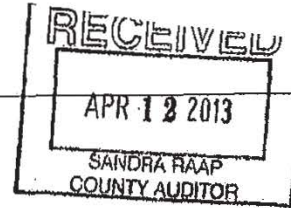
- Devaluation of property
- Safety concerns
- Limitation of future farming practices (irrigation, tilling, auto-steer capabilities, etc.)
- One-time limited easement payment

Respectfully,

Wayne Schlatte
Wayne Anderson
Mike Dale

Highland Township

COPY



VALLEY TOWNSHIP

DAY COUNTY, SOUTH DAKOTA

April 9, 2013

Day County Commissioners
711 West 1st Street
Webster, SD 57274

Dear Day County Commissioners:

On behalf of the residents of our township, the Valley Township Board of Supervisors would like to express their opposition to the planned transmission line for the Big Stone South To Ellendale project.

The primary reasons for our opposition to the project as presented, are as follows:

- **Devaluation of property**
- **Limitation of future farming practices, i.e. Irrigation, tilling, auto-steer capabilities, etc.**
- **One-time limited easement payment**
- **Safety concerns**

Sincerely,

Michael Han
Brent Zimmerman
Wesley Jensen

VALLEY TOWNSHIP BOARD OF SUPERVISORS

BSS E

Big Stone South to Ellendale

May 24, 2013

Wayne Anderson
Highland Township
14908 432nd Ave
Webster, SD 57274

**RE: Project Update with Preferred Route
Montana-Dakota Utilities Co. and Otter Tail Power Company
Proposed Big Stone South to Ellendale 345 kV Transmission Line Project**

Dear Wayne,

Montana-Dakota Utilities Co. and Otter Tail Power Company have selected a preferred route for the proposed Big Stone South to Ellendale 345 kV transmission line project. As you may recall, the line will be 160 miles to 170 miles long and routed between a new substation to be located near Ellendale in Dickey County, North Dakota, and Big Stone South substation located near Big Stone City in Grant County, South Dakota. The Mid-Continent Independent System Operator (MISO, formally Midwest Independent Transmission System Operator) identified the need for this transmission line to improve reliability, increase electric system capacity and support public policy by enabling renewable and other forms of energy to integrate into the electric system. You can find more information by visiting www.BSSEtransmissionline.com, calling our toll-free information line at (888) 283-4678, or contacting Chad Miller or Al Koeckeritz (information below).

In January, February and March 2013, we gathered input from tribal, federal, state, and local agencies and the public. We discussed routing constraints and opportunities near preliminary routes. Using this input, along with environmental and engineering considerations, the project team developed the preferred route (see enclosed map).

We evaluated the following criteria to identify the preferred route:

- Existing rights-of-way (transmission lines, pipelines, railway, or roads), survey lines, and natural division lines
- Distance from homes
- Populated areas
- High densities of important natural features
- High densities of cultural properties and sensitive traditional areas
- River crossing locations
- Public and private airports
- Length
- Input from agencies and landowners
- Input from tribes

Montana-Dakota Utilities Co. and Otter Tail Power Company
Big Stone South to Ellendale Project 345 kV Transmission Line

Please note that Montana-Dakota Utilities Co. and Otter Tail Power Company will be finalizing the route details in the next month in order to submit state routing permit applications in later this year. We appreciate your ongoing participation in this project and look forward to continuing to work with you. If you have questions, comments or feedback, please contact Al Koeckeritz at (218) 739-8416, akoeckeritz@otpc.com or Chad Miller at (701) 222-7865, chad.miller@mdu.com, or by mail at the address below.

Al Koeckeritz
Otter Tail Power Company
215 S. Cascade St
Fergus Falls, MN 56537

Chad Miller
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501-4092

Sincerely,

Montana-Dakota Utilities Co.



Henry Ford
Project Developer

Otter Tail Power Company

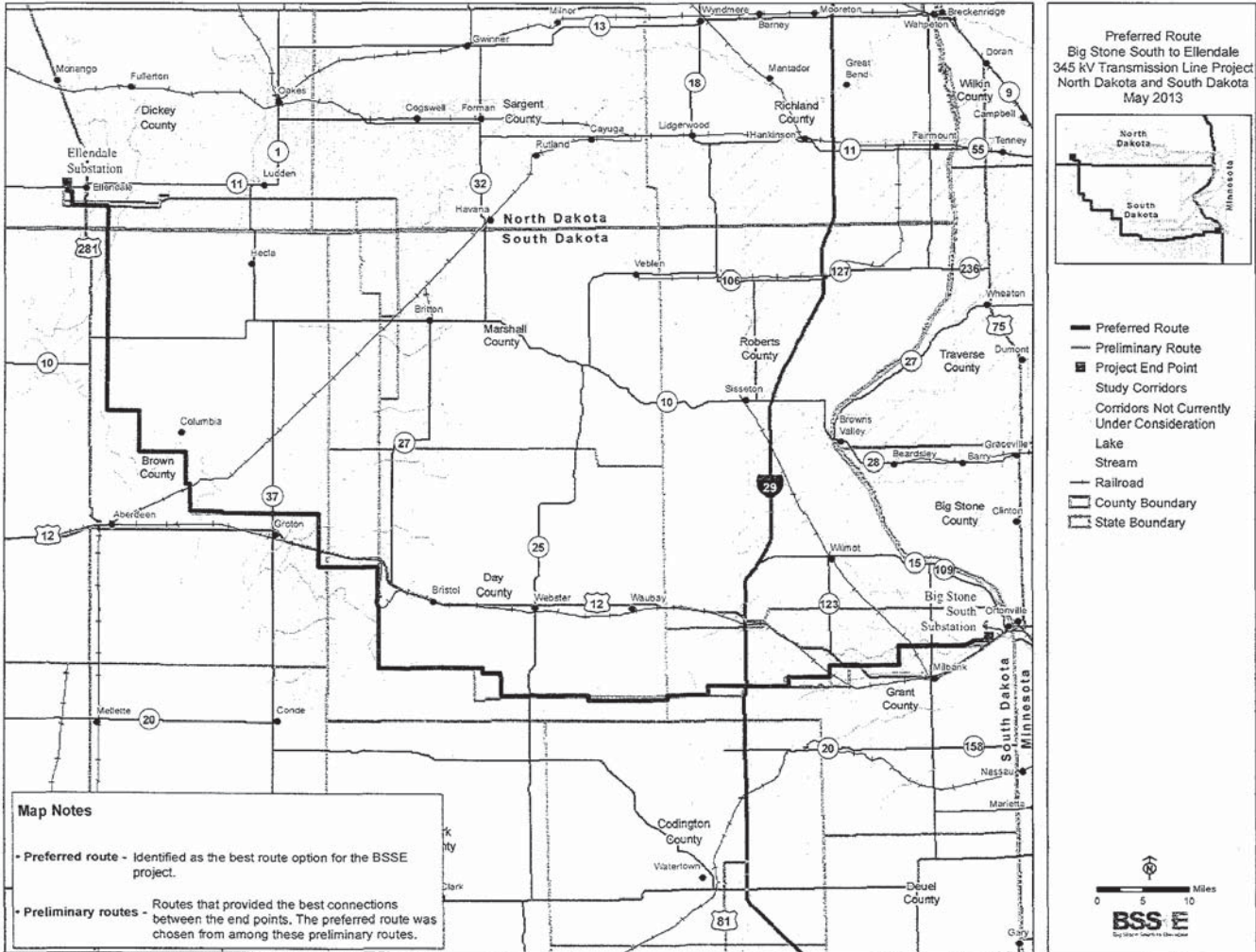


Dean Pawlowski
Project Developer

Enclosures: Preferred

Route

Map



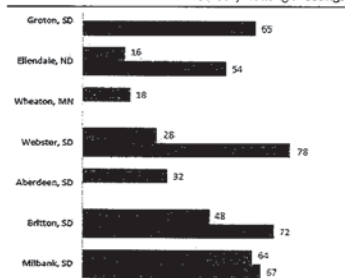
BSSE000314



Meeting Summary

Montana-Dakota Utilities Co. and Otter Tail Power Company held 6 open house meetings in October 2012 to gather feedback on the study corridors. The feedback received at these meetings was reviewed and considered as the preliminary routes were developed. In February 2013, 5 open house meetings were held to present the preliminary routes. The feedback received at the February meetings was reviewed and considered as the preferred route was developed. Additionally, the project team met with federal, state and local agencies, tribal leaders, elected officials and organizations throughout the process to gather their feedback.

Meeting Attendance



Frequently Asked Questions

How did you determine where the transmission line will be located?

The project team identified a preferred route using input gathered from the public at routing meetings along with agency input and environmental and engineering considerations. For more information, please refer to the summary outreach document located on our website's Routing page.

How far will your transmission line be from homes?

No homes will be located within our right-of-way, which is 150 feet wide. This means the minimum distance a home could be from the centerline of our project is 75 feet. In addition, we adopted a goal to minimize the number of homes within 500 feet of the project centerline.

How are affected landowners compensated?

Right-of-way agents will prepare a specific estimate for each landowner based on a consistent payment formula. Total compensation for each easement varies, depending on factors such as the local market value of land, the calculated acreage for the right-of-way, current land use, and whether poles will be located in the easement.

How will you handle construction damage on my property?

During the construction phase, inspectors retained for the project will monitor and record damages when they occur. We will review each case and determine a course of repair. The responsibility and cost for any repairs belong to us.

How will I be compensated for crop damage during construction?

We will compensate landowners for crop damages that occur during construction. The damage payment for standing crops will be determined by the following formula: acres x yield x price per bushel. During the year construction is completed, project representatives and the landowner will jointly determine the acres of crop affected by construction. Reimbursement will be based on the average yield of the adjoining crops and prevailing price per bushel being paid by a comparison of values from local elevators or current contractual arrangement. For the three consecutive years following construction, the project will make an additional payment for the potential of loss in crop yield based on this schedule:

- Year 1 - 50% of the value of the crop damage payment agreed to during the construction season;
- Year 2 and Year 3 - 25% of the value of the crop damage payment agreed to during the construction season.



The BSS+E project team

We appreciate your participation in the routing process. We have a preferred route. After a year-long routing process, which many of you participated in, the BSS+E project team identified a preferred route for the new 345 KV transmission line. "Frequently Asked Questions" section, found on the last page of this newsletter.

Dear Readers,

As the project continues, we will use this newsletter to keep you updated on the project, submitting the route applications in late summer or early fall of 2013.



June 2013 ISSUE

POWER DELIVERED



Big Stone South to Eliendale
HDR Engineering
701 Xenia Ave Suite 600
Minneapolis, Minnesota 55416

WHAT'S INSIDE?

- Public outreach summary
- Preferred route map
- Updated project schedule
- Frequently asked questions

POWER DELIVERED

BSSE000315

001832

Want to find out more or provide feedback?

If you have additional comments or questions, feel free to use any of the following ways to reach our project team.

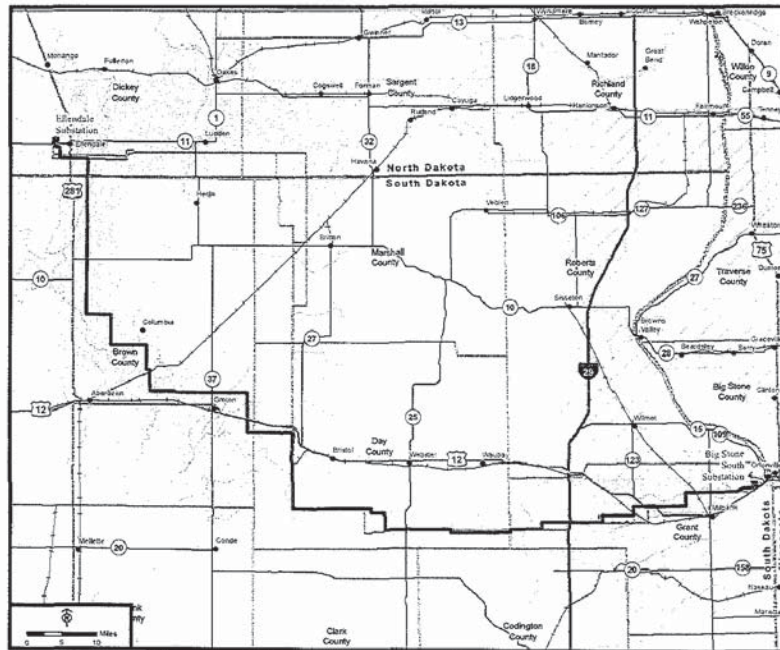
Visit our website:
www.BSSETransmissionLine.com

Call our information line:
1-888-283-4678

Email us:
info@BSSETransmissionLine.com

Project Basics:

- New 345 kV transmission line
- End points: proposed Ellendale 345 kV substation and proposed Big Stone South substation
- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: \$300 million - \$340 million



Map Legend:

- Preferred Route
Identified as the best route option for the BSSE project.
- Preliminary Route
Routes that provided the best connections between end points. The preferred route was chosen from among these preliminary routes.
- Project End Point
- Study Corridors
- Corridors Not Currently Under Consideration
- Lake
- Stream
- Railroad
- County Boundary
- State Boundary

Project Schedule:



Permitting News

One of the major steps in permitting a transmission line is the submittal of a state permit application to the governing utility authority. In the case of the BSSE project, there are two such permitting authorities – the South Dakota Public Utilities Commission (SDPUC) and the North Dakota Public Service Commission (NDPSC) – and therefore, two applications to be filed.

On August 23, 2013, the BSSE project team filed a Facility Permit Application with the SDPUC for the South Dakota portion of the project. The application included a project overview, maps, and a complete analysis of the transmission line.


The SDPUC will review the application for completeness and line design and, ultimately, issue a permit to construct. The SDPUC scheduled public hearings that anyone can attend and offer comments on the application and project.

We anticipate that the North Dakota application will be submitted in October. Once the application is filed, we will provide updates on our information hotline and project website with the NDPSC docket number and hearing notice.

Review the South Dakota Facility Permit Application at www.puc.sd.gov/Dockets/Electric/2013/EL13-028.aspx.

Public Hearings

The South Dakota Public Utilities Commission will hold two public hearings on the Facility Permit Application on **October 17, 2013**.

	Hearing 1 October 17 at 12:00 p.m. Northern State University Student Center, Centennial Rooms 1200 South Jay Street Aberdeen, South Dakota	Hearing 2 October 17 at 7:00 p.m. Milbank Visitor Center Community Room 1001 East Fourth Street Milbank, South Dakota
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Frequently Asked Questions

Why do landowners receive a one-time payment instead of annual payments?

We will offer landowners a single payment to cover the cost of the easement footprint, structures on the property, and impact to agricultural operations. This approach follows the established compensation process for transmission lines within the region. Annual payments are traditionally associated with generation projects on private land. These assets generate a commodity that is marketed to the public. For example, wind farms usually make annual payments to landowners because they sell the energy generated on the landowner's property. Often the payments fluctuate with the amount of energy being produced.

In comparison to generation projects, transmission lines generally have low impact to land use, with the greatest disturbance occurring during construction. During operation of the transmission line, the structures themselves will take approximately 0.01 acres per mile out of production.

How will you deal with damage to roads?

During the construction phase, inspectors retained for the project will monitor and record damages when they occur. Likewise, the inspectors will monitor and record damages on public roadways. We will review each case and work with local authorities to determine a course of repair. The responsibility and cost for any repairs belong to us.

POWER DELIVERED

October 2013 Issue



Dear Readers,

On August 23, 2013, Montana-Dakota Utilities Co. and Otter Tail Power Company submitted a Facility Permit Application to the South Dakota Public Utilities Commission for the portion of the project located in South Dakota. This is a milestone for the project.

In addition to the ongoing permitting activities, our land agents are also out in the field contacting landowners along the route to discuss right-of-way options and easements. If you haven't been contacted yet and you own land along the route, you will be contacted soon. Additionally, our project team is continuing work towards engineering design by identifying structure locations and two fiber optic regeneration stations along the route.

Thank you for your participation in the Big Stone South to Ellendale (BSSE) project!

The BSSE project team

BSSE
Big Stone South to Ellendale

WHAT'S INSIDE?

- Facility Permit Application filed in South Dakota
- Public input hearing dates and locations
- Route map
- Updated project schedule
- Frequently asked questions

BSSE000317

001834

BSSE PREFERRED ROUTE

Want to find out more or provide feedback?

If you have additional comments or questions, feel free to use any of the following ways to reach our project team:

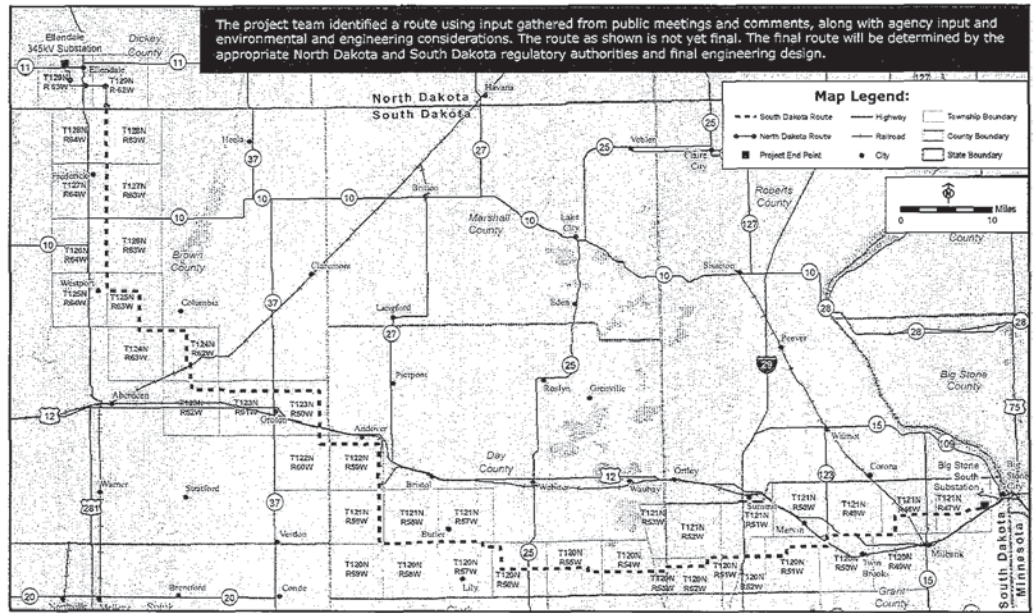
Visit our website:
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Project Basics:

- New 345 kV transmission line
- End points: proposed Ellendale 345 kV substation and proposed Big Stone South substation
- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: \$293 million - \$370 million



Project Schedule:



Permitting News

Montana-Dakota Utilities Co. and Otter Tail Power Company have developed and submitted two state permit applications – one to the South Dakota Public Utilities Commission (SDPUC) and one to the North Dakota Public Service Commission (NDPSC).

The BSSE project team filed a Facility Permit Application with the SDPUC for the South Dakota portion of the project on August 23, 2013. The SDPUC held public hearings on October 17, 2013, in Aberdeen and Milbank, South Dakota.

On October 18, 2013, the BSSE project team filed a Corridor Certificate and Route Permit Application with the NDPSC for the North Dakota portion of the project. Watch your local newspaper for NDPSC's announcement of the date and location of the upcoming public hearing.

The SDPUC and NDPSC are reviewing their respective applications for completeness. If the applications meet all requirements, the Commissions each will issue permits to construct.

Review the Applications

View the NDPSC Corridor Certificate and Route Permit Application and the SDPUC Facility Permit Application on our website's Resources page at: www.bsstransmissionline.com/resources. Here's what you'll see at the top left-hand corner of the Resources page:

Resources

Permitting Documents

South Dakota:

- [Application to the Public Utilities Commission of the State of South Dakota for a Facility Permit](#)

North Dakota:

- [Combined Application to the North Dakota Public Service Commission for a Corridor Certificate and Route Permit](#)

BSSE
Big Stone South to Ellendale

The BSSE project team engineering design and right-of-way processes. address your concerns as we move into the we will continue to answer your questions and your input throughout the routing process, and transmission line route. We have appreciated Thank you to all landowners along the October 17, 2013, in Aberdeen and Milbank on the South Dakota Facility Permit Application.

Dear Readers,
The Big Stone South to Ellendale Transmission Line Project has reached another milestone. On October 18, 2013, Montana-Dakota Utilities Co. and Otter Tail Power Company filed a combined application to the North Dakota Public Service Commission (PSC) for a Corridor Certificate and Route Permit. Additionally, the South Dakota Public Utilities

POWER DELIVERED



Want to find out more or provide feedback?

If you have additional comments or questions, feel free to contact our project team.

Visit our website
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Call our information line
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Email us
info@BSSEtransmissionline.com

Project Basics

- New 345 kV transmission line
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BSS+E

Big Stone South to Ellendale
HDR Engineering
701 Xenia Ave Suite 600
Minneapolis, Minnesota 55416

WHAT'S INSIDE?

- Introduction to the right-of-way team and process
- Corridor Certificate and Route Permit Application filed in North Dakota
- Updated project schedule

POWER DELIVERED

BSSE000319

001836

Easement Negotiation Process



Easement Value

Several factors influence the final determination of the value of an easement, including county offer value, agricultural statistics, comparable sales data, acreage impact payment, impacts of other projects, and property damage payment.

MEET THE RIGHT-OF-WAY TEAM



Melissa Christensen
 Hometown: Dilworth, MN
 Employer: KJL
 Family: Husband Wade, one daughter, one son
 Experience: Right-of-way database management, title summary and local permitting for transmission lines, aviation, distribution and water right-of-way efforts. Chapter 72 IRWA Member.



Kevin Cummings
 Hometown: Detroit Lakes, MN
 Employer: KJL
 Family: Wife Pamela, one daughter, one son
 Experience: Title research, negotiation & acquisition experience with transmission lines. Seven years practice as a licensed MN Realtor. Chapter 72 IRWA Member.



Kelsey Erickson
 Hometown: Bowman, ND
 Employer: KJL
 Family: Parents Jan and Roger
 Experience: Title processes, documentation preparation, working with county tax director managing tax records, including land parcel splitting and title research. Chapter 72 IRWA Member.



Terry Fasteen
 Hometown: Detroit Lakes, MN
 Employer: KJL
 Family: Wife Kathryn, two sons, two grandchildren
 Experience: 30 years in transmission line, aviation, distribution, rural water, and transportation right-of-way efforts. Currently the right-of-way Technical Area Manager for KJL. Chapter 72 IRWA Member.



Brian Fjosne
 Hometown: West Fargo, ND
 Employer: KJL
 Family: Wife Margot, four sons, two grandsons
 Experience: Title and easement work for transmission lines, rural water, county and township road work. 25 years in general sales. Chapter 72 IRWA Member.



Greg Frazier
 Hometown: Moorhead, MN
 Employer: KJL
 Family: Two brothers
 Experience: Acquiring easements and title research for several projects and title research for surface owners and mineral title in the Williston Basin. Chapter 72 IRWA Member.



Travis Hoaglund
 Hometown: Bismarck, ND
 Employer: KJL
 Family: One brother
 Experience: Mineral title, leasing, and production in the oil and gas industry. Also right-of-way efforts. Chapter 72 IRWA Member.



Bri Mostue
 Hometown: Rothsay, MN
 Employer: KJL
 Family: Parents Karen and Larry, one brother
 Experience: Title search and landowner negotiations. Currently with KJL in the right-of-way technical work area. Chapter 72 IRWA Member.



Karen Mostue
 Hometown: Rothsay, MN
 Employer: KJL
 Family: Two children, two dogs
 Experience: 20 years in title research, title insurance, document preparation, and landowner negotiations. Licensed Real Estate Broker for ND and MN. Chapter 72 IRWA Member.



David Novstrup
 Hometown: Aberdeen, SD
 Employer: KJL
 Family: Wife Holly, two daughters
 Experience: Four years in real estate and two years negotiating land options and/or rights-of-way.



Vicki Severson
 Hometown: Battle Lake, MN
 Employer: Otter Tail Power Co.
 Family: Husband Bryan, two sons, six grandchildren
 Experience: 36 years in public relations, marketing, and right-of-way areas. Has worked on several transmission line projects. Membership Chair for Chapter 72 IRWA and Prof. of the Year - 2012.



Chris Strand
 Hometown: Bismarck, ND
 Employer: KJL
 Experience: Right-of-way efforts for transmission line, roadway, water, mining, and oil and gas projects in title and mineral research. Chapter 72 IRWA Member.

Full Project Schedule:





Frequently Asked Questions

June 2013



How did you determine where the transmission line will be located?

The project team identified a preferred route using input gathered from the public at routing meetings along with agency input and environmental and engineering considerations. For more information, please refer to the summary outreach document located on our website at www.bssetransmissionline.com/routing.

How far will your transmission line be from homes?

No homes will be located within our right-of-way, which is 150 feet wide. This means the minimum distance a home could be from the centerline of our project is 75 feet. In addition, we adopted a goal to minimize the number of homes within 500 feet of the project centerline.

How are affected landowners compensated?

Right-of-way agents will prepare a specific estimate for each landowner based on a consistent payment formula. Total compensation for each easement varies, depending on factors such as the local market value of land, the calculated acreage for the right-of-way, current land use, and whether poles will be located in the easement.

Why do landowners receive a one-time payment instead of annual payments?

We will offer landowners a single payment to cover the cost of the easement footprint, the inconvenience of structures on the property, and impact to agricultural operations. This approach follows the established compensation process for transmission lines within the region. Annual payments are traditionally associated with generation projects on private land. These assets generate a commodity that is marketed to the public. For example, wind farms usually make annual payments to landowners because they sell the energy generated on the landowner's property. Often the payments fluctuate with the amount of energy being produced.

In comparison to generation projects, transmission lines are generally low impact to land use, with the greatest disturbance occurring during construction. During operation of the transmission line, the structures themselves will take approximately 0.01 acres per mile out of production. Therefore, because of this relatively small impact, the established one-time payment should sufficiently reimburse landowners.

How will you handle construction damage on my property?

During the construction phase, inspectors retained for the project will monitor and record damages when they occur. We will review each case and determine a course of repair. The responsibility and cost for any repairs belong to us.

How will I be compensated for crop damage during construction?

We will compensate landowners for crop damages that occur during construction. The damage payment for standing crops will be determined by the following formula: acres x yield x price per bushel. During the year construction is completed, project representatives and the landowner will jointly determine the acres of crop affected by construction. Reimbursement will be based on the average yield of the adjoining crops and prevailing price per bushel being paid by a comparison of values from local elevators or current contractual arrangement. For the three consecutive years following construction, the project will make an additional payment for the potential of loss in crop yield based on this schedule:

- Year 1 - 50% of the value of the crop damage payment agreed to during the construction season;
- Year 2 and Year 3 - 25% of the value of the crop damage payment agreed to during the construction season.

Will I be able to farm around the structures?

Farming activities can occur within the right-of-way and adjacent to the structure. Additionally, our proposed offset from field lines for the portions of the route that are adjacent to roadways allows most landowners to use their largest equipment between the transmission structures and the road right-of-way.

Will having this transmission line on my land preclude me from having wind turbines?

Having a transmission line on your parcel will not automatically preclude that land from wind development. This project will increase capacity for wind energy in North Dakota, South Dakota, and the region. Often, within a wind farm, there are parcels that contain both wind turbines and transmission lines that connect to the wind farm's interconnection point. Turbine placement depends on many factors, including setback distances from homes, structures and roads, as well as environmental and engineering siting considerations. While a turbine would not typically be placed within the immediate vicinity (i.e. fall down distance) of a high-voltage transmission line, this setback is similar to or less than setbacks from many other features.

What impacts will the transmission line have to aerial sprayers?

Crop dusters are able to spray fields with transmission structures within or adjacent to them. We will work with the Federal Aviation Administration (FAA) to meet requirements for airports and runways.

Will the new transmission line interfere with GPS auto-steering reception?

A GPS unit in farming equipment should work properly with a high degree of accuracy underneath the transmission line. GPS devices continually pull signals from a number of satellites, not just one. A signal may be blocked temporarily if the transmission structure is between the receiver and a weak satellite signal, but it will return as the farm equipment moves past the structure. It is also common for GPS receivers to drop and pick up signals even in the absence of transmission lines and structures. We can provide the transmission structures' GPS points to landowners to help farm equipment navigate around structures.

Is it safe for livestock to graze under the transmission line?

Yes. Current scientific research shows no safety concerns or effects on production for livestock grazing under a high-voltage transmission line.

What is EMF and is it harmful?

EMF stands for electric and magnetic fields, both of which are part of natural and manmade environments. These fields are present wherever electricity is generated, transmitted, and used. Electric fields are produced by the electrical strength (voltage), and magnetic fields are produced by electric current or movement of the electricity through a conductor. There is no reliable scientific basis to conclude that EMF is harmful. Numerous studies have been completed to determine if there is an association between EMF and human health effects. Several scientific organizations, including the American Medical Association, American Cancer Society, American Physical Society and National Academy of Sciences, have stated that the body of evidence for EMF indicates that exposure to these fields does not present a human health hazard. (*Environmental Protection Agency:www.epa.gov/radtown/power-lines.html*)

What is stray voltage?

Stray voltage is an accidental difference in electrical potential between two objects. For example, if a cow touches a poorly grounded metal object in a building with her nose and is standing on a damp floor, and if the metal object and the floor have different electrical potentials, then a weak electric current will pass through the cow's body. Although this is not fatal for the animal, stray voltage issues need to be addressed, and they can be corrected. Stray voltage is typically caused by wiring and electrical connections on a farm associated with the distribution lines that come from the distribution system to your farm, not from transmission lines that do not directly connect to businesses or residences. In some circumstances transmission lines can induce stray voltage onto large metallic objects or onto a distribution circuit in very close proximity to the transmission line. Stray voltage is taken into account in routing and siting and is not anticipated to be an issue for this project. If a landowner identifies stray voltage as a result of this project, we will take appropriate measures to address the issue.



April 14, 2014

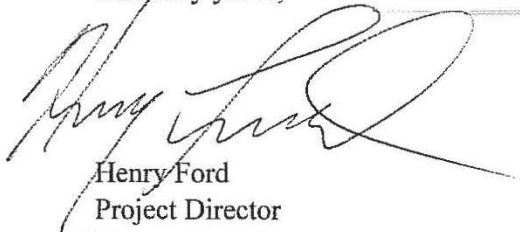
Mr. Dennis Feickert
38485 129th Street
Aberdeen, SD 57401

Re: In the Matter of the In the Matter of the Transmission Permit for the Big Stone
South to Ellendale Project (SD PUC Docket No. EL13-028)
Our File No.: 13054.000

Dear Mr. Dennis Feickert:

At the hearing in Aberdeen, you asked the Project to explain how the centrally assessed property tax system “works” (Transcript p. 109). Montana Dakota Utilities and Otter Tail, as you know, are public utilities whose property is taxed as central assessment property by the Department of Revenue and Regulation (“the Department”). The process is complex and different from how other property is taxed in South Dakota. The Department fixes the assessed value per mile of power line in each county. The Department determines the fair market value of the property of the utility taking into account the cost, market and income approach used in appraisals. The statutes require the Department to consider specific information when considering these approaches. After the determination by the Department then the Department certifies to the each county auditor where the property is located and the value to be placed on the county tax roll. The county then determines the amount of the tax based on the local levies. The county then sends out notices to the utilities for the tax due. You can find this process outlined beginning at SDCL 10-35-9 and continuing to SDCL 10-35-15. For your reference, we also have included two documents addressing central assessment property: (1) South Dakota Legislative Research Council Issue Memorandum 94-15; and (2) a printout from the Department’s website regarding power and light companies.

Sincerely yours,



Henry Ford
Project Director
Enclosures



South Dakota Legislative Research Council

Issue Memorandum 94-15

CENTRALLY ASSESSED PROPERTY

The total assessed value of all property in the state in 1993 was \$21.5 billion. Of that amount, \$835.1 million (4%) was utility property, which is centrally assessed.

Centrally assessed property is property that is taxed for local government purposes, but the assessment of the property is done by the South Dakota Department of Revenue, not a local assessor. The reason for this is that much utility property is homogeneous and crosses county and state lines. Consequently, it is more efficient for the assessment of utility property to be conducted by the state and the value of the utility property to be apportioned to the various taxing jurisdictions. There are several types of property that are centrally assessed according to the South Dakota Codified Laws. The following is a description of the various types of centrally assessed or utility property according to the South Dakota Codified Laws.

The first type of centrally assessed property is railroad operating property. SDCL 10-28 provides for the central assessment of railroad property. The state assesses the value of land and buildings owned by railroad companies and then applies the sales ratio for each entity to the assessed value. That adjusted value is then placed on the tax rolls for each taxing jurisdiction. Note: SDCL 10-28-2 provides for the taxation of railroad personal property, but the federal 4-R Act prohibits the taxation of railroads differently than other taxpayers; that is, since personal property is generally not taxed in

the state, railroad personal property may not be taxed.

Once the adjusted value is placed on the tax rolls, the normal assessment and payment schedules apply. The normal assessment and payment schedules are: property is assessed on November 1, and the taxes based on that assessment are payable 13 months later on January 1, but may be paid in two installments, one installment due on the following April 30, and the second installment due on October 30. Also, as with most other property taxes in South Dakota, the taxes from railroad companies are distributed to school districts, counties, municipalities, townships, etc. Railroad companies are entitled to a property tax credit for the repair and replacement of railroad track. The repair or replacement of track necessitated by washout, fire, or derailment does not qualify for the tax credit.

SDCL 10-29 provides for the taxation of airline flight property (aircraft). First, the value of all flight property owned by an airline is determined. The value of that property which is allocated to South Dakota is based on three ratios: 1) the ratio of South Dakota passengers and freight to the airline company total; 2) the ratio flight time of aircraft in South Dakota to the flight time of all aircraft owned by the airline; and 3) the ratio that the revenue ton miles of passengers, freight, and mail in South Dakota bears to the whole system. Once the value allocated to South Dakota is determined, the tax is determined by

multiplying the statewide average tax rate times the value which has been determined. The taxes thus determined are distributed as follows: 1) 25 percent of the tax is divided among all airports in the state; and 2) the remaining 75 percent is allocated to the various airports based on the air traffic at each airport. Thus, only airports are recipients of the airline company tax. The normal assessment and tax payment schedule as discussed earlier applies to airline flight property.

SDCL 10-33 provides for the assessment and taxation of telephone companies. First, municipally-owned telephones are exempt from taxation. If a telephone company does less than \$25 million of sales, it is subject to a gross receipts tax of 2, 3, 4, or 5 percent as determined by the schedule in SDCL 10-33-21. The taxes are allocated to school districts (and only school districts) based upon the amount of business the phone company does in each school district. The tax is based on calendar year gross receipts and is payable in September of the following year.

If the telephone company does more than \$25 million of sales, the company is subject to an ad valorem tax. Using original and net (after depreciation) value, the value of all property (including personal, except autos) owned system-wide is determined. The share of the property allocated to South Dakota is based on the average of original and net value of the property. The value of the property allocated to each jurisdiction is based on the original cost in each jurisdiction. The value of the property is adjusted for the local sales ratio. Once the value is determined one of two tax rates applies: for property within corporate limits the property is subject to existing municipal, county, and school district levies, and each

jurisdiction receives the taxes; for property outside corporate limits the average rate of all tax levies applies, and the county receives all taxes. Again, normal assessment and tax payment schedules apply.

SDCL 10-35 provides for the assessment of investor owned utilities. As with other centrally assessed property the first step is to determine the value of all property owned by the utility. The portion of the value assigned to South Dakota is determined by comparing system-wide original and net cost to South Dakota original and net cost. Once the South Dakota value is determined, each taxing jurisdiction's value is determined by taking the ratio of the jurisdiction's original cost to the South Dakota original cost. Once a value has been assigned for each taxing jurisdiction, the local sales ratio is applied and the appropriate tax levies are applied to the value. Again, normal assessment and tax payment schedules apply.

SDCL 10-36 provides for the taxation of rural electric companies (REAs). REAs are subject to a 2 percent gross receipts tax, with the school districts receiving all the tax revenue. The gross receipts tax is allocated to each school district based on the number of customers in each school district.

SDCL 10-37 provides for the taxation of pipeline companies. Similar to other types of centrally assessed property, first a system-wide value is established using original and net cost, and allocating those factors to South Dakota. Once a South Dakota value is established, the same method is used to allocate the value to the local taxing jurisdictions. Once that value is determined, the local sales ratio is applied to the value and normal assessment and tax payment schedules apply.

Summary

Utility companies pay property taxes based upon central assessment by the state. The method of assessment is to first determine the system-wide value of the utility property, and to then apportion that value to the local taxing jurisdictions to be

part of the local tax base. In lieu of property taxes, telephone companies doing less than \$25,000,000 of business and REAs are subject to a gross receipts tax.

This issue memorandum was written by Dale Bertsch, Chief Analyst for Fiscal Research and Budget Analysis for the Legislative Research Council. It is designed to supply background information on the subject and is not a policy statement made by the Legislative Research Council.



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Power and Light Companies provide energy to residents and businesses across South Dakota. For property tax purposes, the department has separated the industry into four different categories: Rural Electric, Investor or Privately Owned, Commercial Wind Generation Facilities and Municipal Electric.

Rural Electric Companies (SDCL 10-36)

Rural Electric Companies furnish electricity for consumption principally in rural areas of South Dakota. Rural Electric Cooperatives and Public Power Companies are included in this category.

Transmission and Distribution Property

Transmission and Distribution Property is divided into real property and personal property for the purpose of taxation.

The real property, land and buildings, is assessed by the County Director of Equalization. The counties determine and collect the tax at the same rates and at the same time as other locally assessed property.

The personal property, which includes all wires, lines transformers, meters, machinery, fixtures, and all attachments and appurtenances, is subject to a 2% gross receipts tax instead of a property tax. The Companies are required to file annual report with the department in April. The department certifies the taxes to the counties in July. Taxes are collected by the counties in September and distributed to the school districts.

Generating Property (SDCL 10-35)

The Department of Revenue is responsible for assessing the property that is owned by rural electric companies and used for the generation of electricity.

The property is assessed by the Department in July and the taxable value is then certified and sent to the counties in August. The counties determine and collect the tax at the same rates and at the same time as locally assessed property.

Investor or Privately Owned Power and Light (SDCL 10-35)

The Department of Revenue is responsible for assessing the property owned by companies which furnish electricity for public use.

The property is assessed by the Department in July and the taxable value is then certified and sent to the counties in August. The counties determine and collect the tax at the same rates and at the same time as locally assessed property.

Municipal Utilities: Municipal Utilities are EXEMPT from property taxes.

Check out the Public Utilities Commission for more information.

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