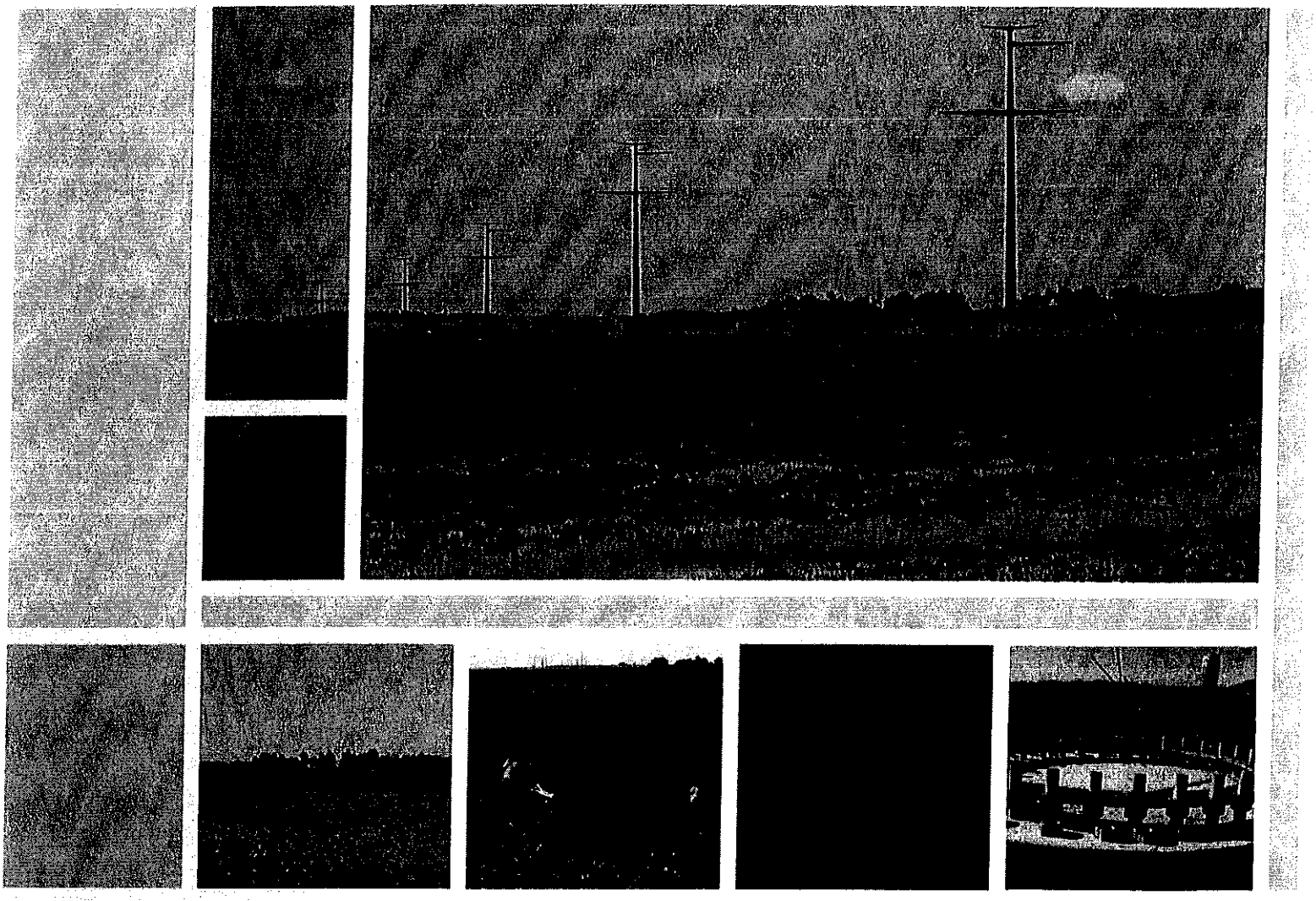

Application to the Public Utilities Commission of the State of South Dakota for a Facility Permit

MONTANA-DAKOTA UTILITIES CO. & OTTER TAIL POWER COMPANY

Big Stone South to Ellendale Project

AUGUST 14, 2013

EXHIBIT
1

BSSE
Big Stone South to Ellendale

8.0 Alternative Sites (ARSD 20:10:22:12)

8.1 Route Identification and Selection Process

The South Dakota Facility route selection process centered on a multi-faceted approach in which the Applicants considered state and federal requirements, public comments received at public meetings, and extensive analysis of available environmental data. The route development process was primarily driven by extensive public participation and agency coordination programs in both South Dakota and North Dakota. Table 5 provides a general overview of the public involvement efforts undertaken by the Applicants for the Project. Additional information on the public involvement activities conducted for the Project, including materials used during open house meetings, are available on the Project website at www.bssetransmissionline.com. The South Dakota Facility defined in this Application is shown in detail in Exhibit 2.

Table 5. Summary of Public, Agency, and Tribal Involvement Activities

Year	Month	Action
2012	**July**	• Project notification letter mailed to North Dakota and South Dakota state and federal agencies
	August	• Project notification letter mailed to county, state, and local representatives, and non-government organizations in North Dakota and South Dakota • Held meetings with North Dakota and South Dakota county zoning and planning representatives (Spink, Clark, Grant, Day, Hamlin, Codington, Brown, Deuel, Marshall, Roberts, Richland, Dickey, and Sargent counties) • Held two interagency meetings with state and federal agencies for North Dakota and South Dakota
	September	• Project website and toll-free Project information line made available to the public (www.bssetransmissionline.com and 888-283-4678) • Corridor notification letter for open house meetings mailed to the public, county, state, and city representatives, and non-government organizations in North Dakota, South Dakota, and Minnesota • Corridor notification letter for open house meetings mailed to township representatives in North Dakota, South Dakota, and Minnesota

Year	Month	Action
2012	**October**	• Meeting with Sisseton Wahpeton Oyate and Standing Rock Sioux Tribal Historic Preservation Offices (THPOs) for Project introduction and study area discussion • Corridor notification postcard for open house meetings mailed to landowners within the study corridors • Paid advertisements and press releases sent to North Dakota, South Dakota, and Minnesota publications to notify the communities of the study corridor open house meetings • Corridor public open house meetings (October 15-18, 2012): o Wheaton, Minnesota o Milbank, South Dakota o Webster, South Dakota o Aberdeen, South Dakota o Ellendale, North Dakota o Britton, South Dakota
	November	• *Power Delivered* Project Newsletter (Issue 1) was posted to the website and hard copies were mailed to stakeholders in the Project open house meeting attendees and those who had commented or signed up for the mailing list
	December	• *Power Delivered* Project Newsletter from November sent electronically to contact persons above who provided email addresses
2013	**January**	• Conducted interagency meetings for North Dakota and South Dakota state and federal agencies. Follow-up letter sent to agencies which included the meeting minutes and letter from the Applicants • Hosted an online webinar and conference call with county representatives in North Dakota and South Dakota including Day, Brown, Grant, Dickey, and Marshall counties to describe the routing process and gather input on preliminary routes followed up with meeting minutes and a message from the Applicants
	February	• Meeting with South Dakota State Historic Preservation Office (SDSHPO) to discuss expected cultural resource identification efforts and tribal involvement • Paid advertisements and press releases sent to North Dakota and South Dakota publications to notify the communities of the routing open house meetings • Notification letter for routing open house meetings sent to stakeholders including state, federal, and local agencies, elected officials, and non-governmental organizations (NGOs) • Notification postcards for routing open house meetings sent to landowners within the preliminary corridors of the Project and active participants who attended a meeting or submitted a comment • Routing public open house meetings (February 25-27, 2013): o Groton, South Dakota o Ellendale, North Dakota o Britton, South Dakota o Webster, South Dakota o Milbank, South Dakota

linked together into numerous alternative preliminary transmission line routes. The Applicants evaluated the preliminary routes, measuring them against both the transmission line routing considerations for the State of South Dakota (SDCL 49-41B-22) and input on sensitive and important resources identified by the public. The transmission line route in South Dakota was selected based on several considerations, including the following:

- Minimizing total length and construction costs
- Minimizing impacts to humans and human settlements, including (but not limited to) displacement, noise, aesthetics, cultural values, recreation, and public services
- Consideration of effects on public health and safety
- Offsetting existing ROW (roadway or other utility ROW) or section lines to minimize impacts to land-based economies, including (but not limited to) agricultural fields and mining facilities
- Minimizing effects on archaeological, cultural properties, and historic resources
- Minimizing impacts to wetlands, surface waters, and rivers
- Minimizing impacts to rare or endangered species and unique natural resources
- Minimizing effects to airports or other land use conflicts

During public open house meetings conducted during the route identification and selection process, the public identified several criteria that were also considered in the routing process. These criteria included:

- Constructing the transmission lines near existing roadway ROW or close to the half section lines to minimize impacts to agricultural fields
- Placing structures to minimize impacts to agricultural production/allow for the movement of farm equipment
- Avoiding a diagonal route across agricultural fields wherever possible
- Preference for mono-pole structures rather than H-frame structures

Upon determination of the preferred route, notifications were sent to federal and state agencies in May 2013, requesting comment on the preferred route, as shown in Table 5. A table outlining agency contact and copies of the agency material correspondences are provided in Appendix C.

8.2 Alternatives Considered and Selected

The Applicants initially considered multiple alternatives for the South Dakota Facility. The Applicants evaluated preliminary routes in South Dakota based on the factors listed above and the comments received from the public. The study corridor in Minnesota was considered but not selected for the following reasons:

- Need to complete permitting process in an additional state
- Crossing of the Bois de Sioux and Minnesota Rivers which are classified as Section 10 Rivers, regulated by the United States Army Corps of Engineers (USACE), and requiring additional federal review and permitting
- Increased length resulting in increased potential effects and cost
- Engineering challenges associated with crossing Big Stone Lake north of Ortonville, Minnesota