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AUG 03 2005
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION



August 1, 2005

Michele Farris
Annalyst
South Dakota Public Utilities Commission
500 East Capitol Ave.
Pierre, SD 57501

Dear Ms. Farris:

Subject: Application for an Energy Conversion Facility Siting Permit - Updates
Big Stone II Project

As per our discussion, the following information is enclosed:

- Eight replacement pages of Exhibit 2-2
- Eight CD's of the permit application
- A copy of the cover letter forwarding the application to the Local Review Committee and a suggestion for an organizational meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Graumann".

Terry Graumann
Manager, Environmental Services

Enclosures

C. Mark Rolfes

438

COPY

BIG STONE *II*

July 28, 2005

Dear Local Review Committee Member:

Subject: Proposed Big Stone II Energy Conversion Facility

On July 20, 2005, Otter Tail Power Company filed the Energy Conversion Facility Permit Application for the Big Stone II Project with the South Dakota Public Utilities Commission (PUC). The PUC has asked us to provide each of the Local Review Committee members with a copy of the application (copy enclosed).

The South Dakota law has delegated to the Local Review Committee the responsibility to provide the PUC with its assessment of the potential social and economic effect generated by the proposed Big Stone II facility, to assess the area's capacity to absorb the effects, and to formulate mitigation measures. The final report and recommendations must be provided to the PUC within 7 months of our filing the application. Attached is a copy of the information that was provided by the PUC to each of you in their letter of January 18, 2005.

The Commission has suggested that the Local Review Committee meet to elect a Committee chairperson and to formulate plans for fulfilling our reporting responsibilities. To begin the process, I suggest the following possible meeting dates for our first Local Review Committee meeting: August 10, 11, 17 or 18. I would suggest that we begin the meeting with dinner at 6:30 p.m. at the Lantern Inn in Milbank followed by Committee organization and a discussion of the process going forward.

Lori Dawkins will be contacting each of you in the next few days with your meeting date preference.

Sincerely,



Mark Rolfes
Project Manager

Enclosure

PO Box 496
215 SOUTH CASCADE STREET
FERGUS FALLS MN 56537

A STUDY FUNDED BY:
OTTER TAIL POWER COMPANY, LEAD DEVELOPER
CENTRAL MINNESOTA MUNICIPAL POWER AGENCY
GREAT RIVER ENERGY
HEARTLAND CONSUMERS POWER DISTRICT
HUTCHINSON UTILITIES COMMISSION
MISSOURI RIVER ENERGY SERVICES
MONTANA-DAKOTA RESOURCES GROUP
SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY



ry Hanson, Chair
Sahr, Vice-Chair
Johnson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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Consumer Hotline
1-800-332-1782

January 18, 2005

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Mr. Truman Nelson
Chairperson
Roberts County Commission
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Mayor
Town of Corona
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Corona, SD 57227-0096

Mayor
Town of LaBolt
P. O. Box 18
LaBolt, SD 57246-0018

Mr. Mark Rolfes
Otter Tail Power Company
P. O. Box 218
Big Stone City, SD 57216-0218

RE: In the Matter of the Filing by Otter Tail Power Company
Regarding its Notification of Intent to Apply for a Permit
for an Energy Conversion Facility
Docket EL04-034

Dear Folks:

On November 12, 2004, the Public Utilities Commission (Commission) received a notification of intent to submit an application for a permit for an energy conversion facility from Otter Tail Corporation, dba Otter Tail Power Company (Otter Tail). Otter Tail made the filing on behalf of the following energy conversion facility participants: Otter Tail Power Company, Central Minnesota Municipal Power Agency, Great River Energy, Heartland Consumers Power District, Hutchinson Utilities Commission, Missouri River Energy Services. Otter Tail proposes to construct a new electric generating facility, tentatively named Big Stone II, which would be located on a brown field site adjacent to the existing Big Stone Plant unit I. The site is located in Grant County east of Milbank and northwest of Big Stone City, South Dakota. The current plans are to construct a 600 MW electric generating station utilizing a single pulverized coal fired steam generator balanced-draft combustion and a single, reheat steam turbine.

Otter Tail estimates the capital cost of the Big Stone II project at one billion dollars.

Under SDCL 49-41B-6, the Commission is required to designate the affected area relative to this filing and also to designate a local review committee within thirty days after the filing of the notification of intent. According to SDCL 49-41B-2(8), the term "siting area" is defined as "that area within ten miles in any direction of a proposed energy conversion facility or which is determined by the commission to be affected by a proposed energy conversion facility." In ARSD 20:10:22:01(1), "affected area" is defined as "that area which may be affected environmentally, socially, aesthetically, or economically by the location of a facility at a proposed site."

Under SDCL 49-41B-6, the Commission shall also designate the local review committee which shall be composed of the following:

- (1) The chairman of the county commissioners of each affected county;
- (2) The president of the board of education of each affected school district;
- (3) The mayor of each affected municipality; and
- (4) A representative of the applicant utility designated by the utilities.

any person on the committee who ceases to hold such office or appointment shall be replaced on the committee by his/her successor, who shall promptly notify the Commission of such succession.

At its December 6, 2004, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission determined that the affected area of Otter Tail's proposed 600 MW (net) electric generating station is an area within 20 miles of the site of the proposed facility in South Dakota, plus the municipalities of Summit and Strandburg, which encompasses portions of Grant and Roberts Counties, the Milbank, Wilmot, Big Stone City, Summit, South Shore, Sisseton and Grant-Deuel School Districts and the cities of Milbank, Revillo, Wilmot, Big Stone City, Stockholm, Strandburg, Summit, Twin Brooks, Marvin, Corona and LaBolt. In accordance with SDCL 49-41B-6, the Commission designated the local review committee which shall be comprised of the following individuals, ex officio:

- (1) The Chairmen of the Grant and Roberts County Commissions;
- (2) The Presidents of the School Boards of the Milbank, Wilmot, Big Stone City, Summit, South Shore, Sisseton and Grant-Deuel School Districts;
- (3) The Mayors or presiding officers of the cities of Milbank, Revillo, Wilmot, Big Stone City, Stockholm, Strandburg, Summit, Twin Brooks, Marvin, Corona and LaBolt; and
- (4) A person appointed by Otter Tail Power Company.

any person on the committee who ceases to hold such office or appointment shall be replaced on the committee by his/her successor, who shall promptly notify the Commission of such succession.

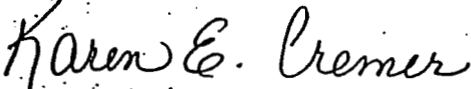
Therefore as the designated person of that organization, you have been appointed as one of the local review committee members.

I have enclosed a copy of the laws which sets forth the committee's duties as well as a copy of the Notice of Intent. The responsibilities of the local review committee can be summarized as follows: the local review committee shall assess the potential social and economic effects of the proposed energy conversion facility, assess the surrounding area's ability to absorb those effects and arrive at mitigation measures.

At this time, Otter Tail has only filed its notice which indicates that it will file its application for a permit. Otter Tail anticipates filing its application for a permit in May 2005. Within seven months after the May application is filed, the committee is required to file a final report with the Commission pertaining to its recommendations on the assessment of the effect of the facility. Pursuant to SDCL 49-41B-8 and 49-41B-9, the committee may employ other such persons to carry out the provisions of § 49-41B-7 and the expenses shall be paid from the initial fee that Otter Tail will be required to pay with its application. Expense payments and other authorized payments to committee members are to be financed by the unit of government which the members represent.

Commission Staff would suggest that the committee meet and select a chairperson. While the committee is an independent body separate from Commission Staff, Staff is available to answer any questions the committee may have. Should you need to contact Staff, please do not hesitate to contact me or Michele Farris, Staff Engineer.

Sincerely,



Karen E. Cremer
Staff Attorney

cc: Michele Farris

Enc:

(5) A representative of the applicant utility designated by the utilities.
Source: SL 1977, ch 390, § 10.

Library References

Electricity ⇨9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-7. Assessment by local review committee—Factors included

The local review committee shall meet to assess the extent of the potential social and economic effect to be generated by the proposed facility, to assess the affected area's capacity to absorb those effects at various stages of construction, and formulate mitigation measures. The assessment of the local review committee shall include but not be limited to consideration of the temporary and permanent alternatives in the following areas:

- (1) Housing supplies;
- (2) Educational facilities and manpower;
- (3) Waste supply and distribution;
- (4) Waste water treatment and collection;
- (5) Solid waste disposal and collection;
- (6) Law enforcement;
- (7) Transportation;
- (8) Fire protection;
- (9) Health;
- (10) Recreation;
- (11) Government;
- (12) Energy.

Source: SL 1977, ch 390, § 12.

Library References

Electricity ⇨9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-8. Employment of personnel by committee—Expenses—Information furnished by commission

The local review committee may employ such persons as determined by the Public Utilities Commission which may be required to carry out the provisions of § 49-41B-7 and the expenses of said staff shall be paid from the initial filing fee. The commission shall furnish copies of the application to the members of the local review committee and all other information which the commission determines that the committee should receive.

Source: SL 1977, ch 390, § 14.

Library References

Electricity ⇨9(2).
Westlaw Key Number Search: 145k9(2).

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49-41B-9. Financing of committee expenses

Expense payments and other authorized payments to members of the local review committee for their service on the committee shall be financed by the unit of government or utility which they represent.

Source: SL 1977, ch 390, § 11.

Library References

Electricity ⇄9(2).

Westlaw Key Number Search: 145k9(2).

49-41B-10. Final report of committee

Within seven months after the application is filed the local review committee shall file a final report with the Public Utilities Commission which includes the recommendations of the committee as to mitigation measures and minority reports.

Source: SL 1977, ch 390, § 13.

Library References

Electricity ⇄9(2).

Westlaw Key Number Search: 145k9(2).

49-41B-11. Applications for permit—Filing deadline—Form—Contents

All applications for a permit shall be filed with the Public Utilities Commission not less than six months prior to the planned date of commencement of construction of a facility in such form as prescribed by rules, and shall contain, but not be limited to, the following information:

- (1) The name and address of the applicant;
- (2) Description of the nature and location of the facility;
- (3) Estimated date of commencement of construction and duration of construction;
- (4) Estimated number of employees employed at the site of the facility during the construction phase and during the operating life of the facility. Estimates shall include the number of employees who are to be utilized but who do not currently reside within the area to be affected by the facility;
- (5) Future additions and modifications to the facility which the applicant may wish to be approved in the permit;
- (6) A statement of the reasons for the selection of the proposed location;
- (7) Person owning the proposed facility and person managing the proposed facility;
- (8) The purpose of the facility;
- (9) Estimated consumer demand and estimated future energy needs of those consumers to be directly served by the facility;

Title	FirstName	LastName	JobTitle	Company	Address1	Phone	
Mr.	Richard	Berens	Chairperson	Grant County Commission	204 Highview Dr.	605-432-6711	Me
Mr.	Malcolm	Dirkson	Vice President	Milbank School District	46977 144 th St	?	Tv
Mr.	Scott	Schneider	President	Big Stone City School District	14336 SD Highway 109	605-862-8408	Bi
Mr.	Gary	Granquist	President	South Shore School District	47067 East Johnson Street	605-676-2427	Sto
Mr.	Randy	Kruse	President	Grant-Deuel School District	16613 482 nd Ave	605-623-4486	Re
Ms.	Paulette	Levisen	Mayor	Town of Reville	204 West 1 st Street	?	Re
Ms.	Deb	Wiik	Mayor	Town of Big Stone City	457 Tioga St.	605-862-8303	Bi
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Mr.	Leon	Kruse	President	Wilmot School District	47050 138 th St.	605-938-4533	W
Mr.	Frank	Redlin	President	Summit School District	14957 456 th Avenue	605-398-6527	Su
Mr.	Wade	Johnson	President	Sisseton School District	11591 Sica Hollow Road	605-698-4159	Sis
Mr.	Dale	Aesoph	Mayor	City of Milbank	209 South Viola Street	605-432-6685	Mi
Mr.	Harlan	Hanson	Mayor	Town of Wilmot	P.O. Box 75 605 1 st St.	605-938-4588 or 4168	W
Mr.	Melvin	Dragt	Mayor	Town of Stockholm	414 East Johnson Avenue	605-676-2305 or 605-676-2421	Sto
Mr.	Mike	Rufer	Mayor	Town of Strandburg	P.O. Box 32 121 N. Main	605-676-2545	Str
Mr.	Perry	Porath	Mayor	Town of Twin Brooks	P.O. Box 38 110 W. Eastman Ave.	605-432-6740	Tw
Mr.	Tim	Settje	Mayor	Town of Corona	P.O. Box 96 106 3 rd St.	605-432-4346 or 605-432-5393	Co

Title	FirstName	LastName	JobTitle	Company	Address1	Phone	
Mr.	Lloyd	Christofferson	Mayor	Town of Summit	P.O. Box 726 303 Oak St.	605-398- 6315	Su
Ms.	Wanda	Thaden	Bd. President	Town of Marvin	P.O. Box 83 37 South Minnesota St.	605-398- 6158	M
Mr.	Danny	Berglund	Bd. President	Town of LaBolt	P.O. Box 18 109 Church St.	? ?	La
Mr.	Mark	Rolfes	Utility Rep.	BSP II Project	P.O. Box 218	605-862- 6360	Bi

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Bd. President
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Mr. Danny Berglund
Bd. President
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LaBolt, SD 57246-0018

Mr. Mark Rolfes
Utility Rep.
BSP II Project
P.O. Box 218
Big Stone City, SD 57216



POWER PLANT SITE
Big Stone II Project
Big Stone II Co-owners

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