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THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

RECEIVED

OCT 04 2006

===== SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION BY  
OTTER TAIL POWER COMPANY ON BEHALF OF  
BIG STONE II CO-OWNERS FOR AN ENERGY  
CONVERSION FACILITY PERMIT FOR THE  
CONSTRUCTION OF THE BIG STONE II PROJECT

EL05-022

ORIGINAL

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Transcript of Recorded Proceedings  
August 23, 2006

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BEFORE THE PUBLIC UTILITIES COMMISSION,  
BOB SAHR, CHAIRMAN  
DUSTY JOHNSON, VICE CHAIRMAN  
GARY HANSON, COMMISSIONER

COMMISSION STAFF  
Rolayne Ailts Wiest  
John Smith  
Karen Cremer  
Kara VanBockern  
Greg Rislov  
Harlan Best  
Keith Senger  
Dave Jacobson  
Bob Knadle  
Phil Lusk  
Nathan Solem  
Deb Gregg  
Tina Douglas  
Heather Forney  
Patty Van Gerpen

Reported By Cheri McComsey Wittler, RPR, CRR

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TRANSCRIPT OF PROCEEDINGS, held in the above-entitled matter, at the South Dakota State Capitol, 500 East Capitol Avenue, Pierre, South Dakota, on the 23rd day of August 2006, commencing at 9:30 a.m.

1           CHAIRMAN SAHR: Under Electricity, EL05-022, In the  
2 Matter of the Application by Otter Tail Power Company on Behalf  
3 of Big Stone II Co-Owners for an Energy Conversion Facility for  
4 Construction on the Big Stone II Project.

5           And the question today is, Shall the Commission grant  
6 Mary Jo Stueve's application for reconsideration, and shall the  
7 Commission grant Mary Jo Stueve's application for  
8 reconsideration second application? And, if either motion is  
9 granted, how shall the Commission proceed?

10           Ms. Stueve, would you like to make some comments?

11           MS. STUEVE: I actually had -- most of the comments  
12 that I made were in the appeal setting, of course. And I'm on  
13 the road at the moment so I'm just curious to hear what the  
14 Commissioners have to say.

15           CHAIRMAN SAHR: Thank you. Well, I appreciate that.  
16 And obviously you're not paying yourself as attorney because  
17 they always have to comment, even though it isn't a petition.

18           MS. STUEVE: Okay.

19           CHAIRMAN SAHR: With that, I will look to see if any  
20 of the Interveners have comments. This is Beth Goodpaster on  
21 behalf of the Joint Interveners, and we submitted a letter on  
22 Monday of this week, a letter of support to Ms. Stueve's request  
23 for rehearing -- first request for rehearing connected to the  
24 projected cost increases associated with this project.

25           So I'm here to support her request and to answer any

1 questions the Commissioners may have about our position on that.

2 I've highlighted a number of the Findings of Fact from  
3 the Order that include finding of the least cost. And that is  
4 the question that I don't think even the Big Stone II owners can  
5 answer right now and say that their project of least cost  
6 because they're all redoing their analyses.

7 So that's all I have to say. If you want to know the  
8 detailed findings that I'm looking at, I'm happy to --

9 CHAIRMAN SAHR: Thank you very much. Then why don't  
10 we go to the Big Stone II co-owners and Otter Tail.

11 Mr. Welk and Madsen, do you have any comments?

12 MR. WELK: Yes. This is Mr. Welk.

13 Chairman, in light of your admonition about lawyers, I  
14 want to confine my comments and have attempted to address  
15 Ms. Stueve's old petitions for rehearing. We think they should  
16 be denied because this is supposed to be based on a newly  
17 discovered or a claimed error of Finding of Fact. The matters  
18 in which she asserts are newly discovered we contend are not  
19 newly discovered. So far in the carbon regulation the  
20 Commission, which is not in our papers, entered Finding of Fact  
21 199 requiring us to provide reports about federal and state  
22 carbon CO2 regulations, which we would intend to do.

23 And we think that the issues have been adequately  
24 discussed before the Commission and that this wasn't newly  
25 discovered evidence and that the findings that are entered by

1 the Commission are consistent with the evidence.

2 We ask that both Petitions be denied.

3 CHAIRMAN SAHR: Thank you very much.

4 Staff.

5 MS. CREMER: Thank you. This is Karen Cremer from  
6 Staff. Staff will rely on its written filing. And we would  
7 agree with the position of the Applicant. And Staff would also  
8 recommend that both applications for reconsideration be denied.

9 CHAIRMAN SAHR: Thank you very much.

10 Any questions or comments from Commissioners or  
11 advisors?

12 Seeing none, do we have a motion or motions?

13 COMMISSIONER JOHNSON: Yes, Mr. Chairman. I would  
14 move that the Commission deny the application for  
15 reconsideration and that the Commission would deny the  
16 application for reconsideration second.

17 COMMISSIONER HANSON: Second.

18 CHAIRMAN SAHR: Motion passes.

19 (The proceedings are concluded)

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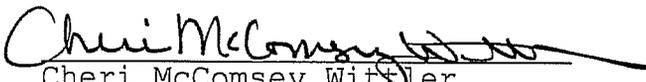
CERTIFICATE

COUNTY OF HUGHES )

I, CHERI MCCOMSEY WITTLER, a Registered Professional Reporter, Certified Realtime Reporter, and Notary Public in and for the State of South Dakota:

DO HEREBY CERTIFY that as the duly-appointed shorthand reporter, I transcribed, to the best of my ability, the recorded proceedings had in the above-entitled matter on the 23rd day of August, 2006, and that the attached is a true and correct transcription of the proceedings so taken.

Dated at Pierre, South Dakota this 4th day of October, 2006.

  
Cheri McComsey Wittler,  
Notary Public and  
Registered Professional Reporter  
Certified Realtime Reporter