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Bob Sahr, Vice-Chair
Dustin Johnson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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February 14, 2005

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314 6th Avenue
Brookings, SD 57006

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Elkton School District 05-3
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Elkton, SD 57026

Mr. Fred Weekes
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City of Aurora
P. O. Box 335
Aurora, SD 57002-0335

Mr. Mike Osborn
Board President
City of Bushnell
21081 1st Avenue South
Bushnell, SD 57276-6604

Mr. Christopher F. Moore
Director of Development
Navitas Energy, Inc.
3001 Broadway Street N.E., Suite 695
Minneapolis, MN 55413

RE: In the Matter of the Filing by Navitas Energy, Inc.
Regarding its Notification of Intent to Apply for a
Permit for an Energy Conversion Facility
Docket EL05-001

Dear Folks:

On January 13, 2005, the Public Utilities Commission (Commission) received a notification of intent to submit an application for a permit for an energy conversion facility from Navitas Energy, Inc. (Navitas). The proposed White Wind Farm will consist of up to 102 wind turbines to yield a net capacity of up to 200 MW. The preferred wind turbine will be a 2.0 MW machine with a rotor

Ms. Amy Dunkle
President
Brookings School District 05-1
2130 8th Street South
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Mr. Bert Rogness
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19530 484th Avenue
Astoria, SD 57213

Mr. Scott Munsterman
Mayor
City of Brookings
P. O. Box 270
Brookings, SD 57006-0270

Mr. Daniel Streff
Mayor
City of White
P. O. Box 682
White, SD 57276-0682

diameter between 80-90 meters. The turbines and associated facilities will be sited on land that is primarily used as grazing land southeast of the City of White, Brookings County, South Dakota.

Navitas estimates the capital cost of the White Wind Farm project at two hundred fifty million 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 February 8, 2005, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission determined that the affected area for Navitas's proposed 200 MW electric generating station is an area in Brookings County encompassing that portion of Argo Township not located within the Estelline School District and all of Afton, Aurora, Alton, Richland, Lake Hendricks, Oak Lake and Sherman Townships and the city of Brookings, which is adjacent to Aurora Township. Included within this area are the cities of Aurora, Brookings, Bushnell and White and portions of the Brookings, Elkton and Deubrook School Districts. 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 Chairman of the Brookings County Commission;
- (2) The Presidents of the School Boards of Brookings School District 05-1, Elkton School District 05-3 and Deubrook School District 05-6;
- (3) The Mayors or presiding officers of the cities of Aurora, Brookings, Bushnell and White; and
- (4) A person appointed by Navitas Energy, Inc.

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.

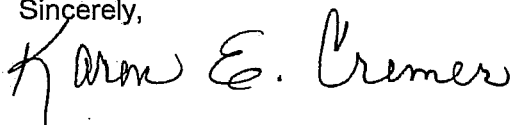
Therefore as the designated person of that organization, you have been appointed as one of the local review committee members.

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, Navitas has only filed its notice which indicates that it will file its application for a permit. Navitas anticipates filing its application for a permit in July 2005. Within seven months after the July 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 Navitas will be required to file 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: Mr. Marcus V. da Cunha
Mr. A. J. Tippie
Ms. 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;



RECEIVED

JAN 13 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Ms. Pam Bonrud, Executive Director
South Dakota Public Utility Commission
500 East Capitol Ave.
Pierre, SD 57501

January 12, 2005

Reference: Notification of Intent Filed Pursuant to SDCL 49-41B-5
Proposed White Wind Farm Project

Dear Pam,

Navitas Energy, Inc. ("Navitas") is filing this Notification of Intent ("Notification") to submit an application for a Permit for an Energy Conversion Facility as required by the South Dakota Code of Law Chapter 41B-5 and the Administrative Rules of South Dakota Section 20:10:22:02.

The assumptions used in the preparation of this Notification represents the best judgment of the project, but should be considered preliminary at this stage. The final facility description, facility operation methods, and other items described herein will be amended as development progresses to the final stage of design.

Size and Type of Proposed Facility

The proposed White Wind Farm will consist of wind turbines, access roads to the wind turbines, an electric collection, a substation, and an interconnection to US DOE Western Area Power Administration ("Western") White Substation.

The White Wind Farm is proposed to consist of up to 102 wind turbines to yield a net capacity of up to 200MW. The preferred wind turbine will be a 2.0 MW machine with a rotor diameter between 80-90 meters. Energy is created as the wind passes over the blades of a turbine creating lift and causing the rotor to turn. The rotor is connected by a hub and main shaft to a system of gears, which are connected to a generator. Each turbine is equipped with a wind speed and direction sensor that communicates with the turbine's control system to signal when and from which direction sufficient winds are present for operation. Each turbine is mounted on a single steel tower secured to a concrete foundation. Each wind turbine will be accessible via all-weather Class 5 gravel roads providing access to the turbines from existing public roads. The tower will be lighted to comply with Federal Aviation Administration requirements. The turbines are interconnected by both a fiber communication system and an electrical power collection system within the

wind farm. The interconnection systems are underground and any overhead feeder lines will be near the proposed Navitas substation which will be adjacent to the existing Western White Substation.

Estimate of the Total Cost of Construction of the Proposed Facility

Navitas estimates the cost of the White Wind Farm to be two hundred fifty million dollars.

Location of the Proposed Site and General Description of the Anticipated Affected Area

Navitas has site control on land sufficient for a 200 MW project. The turbines and associated facilities will be sited on land that is primarily used as grazing land southeast of the City of White, Brookings County, South Dakota, mostly in Sherman Township. Navitas is evaluating various site layouts to optimize wind and land resources at the site, while minimizing project impacts in the area. The final layout is contingent on the completion of the studies of wind and land resources and resolution of the required setbacks from the residences, public roads and existing transmission lines. Unlike traditional power plants with relatively small and contained footprints (usually less than 100 acres including a buffer zone) wind farms require a much larger area, in this case over 10,000 acres. However the majority of the land is required to allow for the spacing between the wind turbines, each individual turbine and its access road occupy less than 3/4 of an acre. Thus the White Wind Farm directly occupies only approximately 70 acres.

Brief Statement on Social and Economic Impact of the Proposed Facility

Wind generators provide affordable renewable energy. There are no emissions to speak of associated with the generation of renewable electricity. Wind turbines provide a viable alternative to combustion of fuels such as coal and natural gas and avoid the waste issues that might be associated with coal ash or spent nuclear fuel. As an economic source for electricity wind energy depends on a free fuel source – the wind – and is relatively immune to inflation.

A wind farm will provide job and other sources of income. Local economies will benefit from the income to landowners, the income to local businesses during construction, the additional jobs and associated personnel required for long term operations, and the additional tax base.

The White Wind Farm will enhance the economy of this rural community, providing steady income through lease payments to farmers and other landowners. Farmers can grow crops or raise cattle next to the towers. The White Wind Farm may extend over a large geographical area, but its actual “footprint” covers only a very small portion of the land, making wind development an ideal way for farmers to earn additional income.

Additional income is generated from one-time payments to construction contractors and

suppliers during installation, and from payments to turbine maintenance personnel on a long-term basis. The White Wind Farm will create over 100 temporary construction jobs and an estimated 20 permanent operation and maintenance jobs; ad valorem revenue to Brookings County and its school districts; sales taxes revenues; and direct lease payment to landowners.

Anticipated Permit Authorization Date, Construction and Commercial Operation Date

Navitas is seeking to receive a Siting Authorization in the first quarter of 2006 for construction and operation of a wind energy conversion. Construction of the White Wind Farm will start after receipt of the Authorization and all other required contracts, permits, approvals, and authorizations. The White Wind Farm is targeted to start commercial operation in late 2006 or early 2007.

Tribal Councils, School District, County Commission, and Municipalities in the Anticipated Affected Area

Flandreau Santee Sioux, P.O. Box 283, 603 W. Broad Ave, Flandreau, SD 57028
Leonard Eller, President

Lower Sioux Indian Community Council, RR 1, PO Box 308, Morton, MN 56270
Ann Larsen, President

Prairie Island Indian Community of MN, 5636 Surgeon Lake Rd, Welch, MN 55089
Audrey Bennett, President

Santee Sioux Tribe of Nebraska, 108 Spirit Lake Ave W, Niobrara NE 68760
Roger Trudell, Chairman

Sisseton-Wahpeton Dakota Nation, P.O. Box 509, Agency Village, SD 57262
James Crawford, Chairman

Spirit Lake Nation, P.O. Box 99, Fort Totten, ND 58335
Valentino White Sr., Chairman

Upper Sioux Indian Community of Minnesota, P.O. Box 147, Granite Falls, MN 56241
Helen Blue-Redner, Chairperson

Yankton Sioux Tribe, P.O. Box 248, Marty, SD 57361
Madonna Archambeau, Chairperson

Elkton School District, 05003, P.O. Box 190, Elkton, SD 57026
Gordon Fuhr, Superintendent

Brookings County Commission, 314 6th Avenue, Brookings, SD 57006
Dennis Falken, 2005 Chairman

Mary Negstad, 2005 Vice-Chairperson
Emil Klavetter

Don Larson
Deanna Santema

City of White, Box 682, White, SD 57276
Gary Emmett, Mayor
City of Elkton, P.O. Box 308, Elkton, SD 57026
Doug Freidel, Mayor

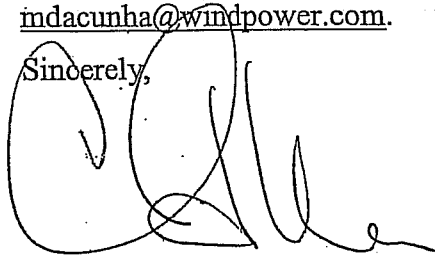
Permits to be Potentially Required by State, Local, and Federal Agencies

US Army Corps of Engineers: Section 404 Permit
US Fish and Wildlife Service: Section 7 Consultation
US Western Area Power Administration: Section 106 Review
US Federal Aviation Administration: Form 7460-1
SD Public Utility Commission: Siting Authorization
SD Dept of Environment and Natural Resources: 401 Water Quality Certification
SD Dept of Environment and Natural Resources: Storm Water Permit for Construction Activities (NPDES)
SD Dept of Transportation: Highway Access Permit
SD Dept of Transportation: Utility Permit
Brookings County: Conditional Use Permit
Brookings County: Building Permit
Brookings County: Driveway Application and Construction Permit
Brookings County: Highway Use Permit
Brookings County: Occupancy Permit for Right-Of-Way on County Highways

Navitas is very excited about paving the way for additional large scale wind projects to be built in South Dakota. The success of this project will show the wind development community that South Dakota is ready for wind. We look forward to working with the Commission and its staff in making the White Wind Farm project a reality.

The White Wind Farm project contact person for the NOI, the application for the Permit for an Energy Conversion Facility, or any other questions is Mr. Marcus V. da Cunha. Please feel free to contact myself or Marcus at 612 370-1061 or email Marcus at mdacunha@windpower.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Moore', with a stylized flourish at the end.

Christopher F. Moore
Director of Development

