



**Department of Energy**  
Western Area Power Administration  
P.O. Box 281213  
Lakewood, CO 80228-8213

**RECEIVED**

**JUN 13 2008**

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**JUN 10 2008**

Ms. Pam Bonrud  
Executive Director  
SD Public Utilities Commission  
Capitol Building, 1<sup>st</sup> Floor  
Pierre, SD 54501

Dear Ms. Bonrud:

Western Area Power Administration (Western) is the lead Federal agency and is in the process of preparing a final environmental impact statement (EIS) for the proposed Big Stone II Power Plant and Transmission Project (proposed Project). Otter Tail Power Company (OTP) and other utilities propose to construct a nominal 600-megawatt (net) coal-fired power plant adjacent to the existing Big Stone Plant near Big Stone City in eastern South Dakota. The proposed Project includes upgrading existing or constructing new transmission lines in South Dakota and Minnesota to interconnect the proposed Big Stone II plant to existing Western substations, relocation of OTP's Canby substation, and modifications and upgrades to other existing substations.

The proposed Big Stone II plant proposes to use a wet cooling system using surface water as the primary water supply and groundwater as the back-up water supply. OTP conducted hydrogeologic investigations both at the plant site and within a 12 square mile off-site area to assess the use of groundwater as a source of back-up water supply for the proposed plant. Level III archaeological monitoring was conducted by The 106 Group Ltd. (106 Group) during the drilling of exploratory and groundwater production test wells.

A report titled, "Level III Archaeological Survey for the Hydrogeologic Investigation Areas, Big Stone II Power Plant Project, Big Stone City, Grant County, South Dakota" was prepared by the 106 Group for the on-site wells. A report titled, "Level III Archaeological Resources Monitoring for Big Stone II Project Water Well Drilling Phases 2, 3, and 4, Grant County, South Dakota," was prepared by the 106 Group for the off-site wells. In accordance with stipulation VIII.A.2 of the executed Programmatic Agreement (PA), a copy of both reports is provided on the enclosed compact disk. According to the PA, you have 30 days to provide comments. If you do not provide comments, we will assume your concurrence with the reports.

Sincerely,

A handwritten signature in cursive script that reads "Mary Barger".

Mary Barger  
Federal Preservation Officer

Enclosure