



Minnesota Center for Environmental Advocacy

The legal and scientific voice protecting and defending Minnesota's environment

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August 21, 2006

VIA ELECTRONIC MAIL AND U.S. MAIL

Patty Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre SD 57501

**RE: In the Matter of 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**

Docket No. EL05-022

Dear Secretary VanGerpen:

Please accept this letter, on behalf of Joint Intervenors in the above-referenced docket, in support of Mary Jo Stueve's July 27, 2006, Request for Reconsideration, which is scheduled to be heard this week by the Commission.

Ms. Stueve is right to raise to this Commission's attention the Co-owners' recent admissions that the projected costs of the Big Stone II Project have escalated substantially, to approximately \$1.8 billion. These cost escalations call into question considerable portions of the Co-owners' testimony filed in this proceeding, including their claims that Big Stone II is a least-cost resource for each of the Co-owners, as compared with alternative sources of power. Indeed, the Co-owners that still have pending integrated resource plans before the Minnesota Public Utilities Commission, and in the related Big Stone II certificate of need proceeding, have been ordered to update all of the capacity expansion modeling that the Co-owners have relied on to justify the Big Stone II Project, to evaluate whether the Project at its current projected capital costs is still the Co-owners' preferred alternative.

To the extent that the South Dakota Commission's decision to grant the Big Stone II siting permit, including any findings of fact the Commission adopted in its July 21, 2006, Order, relies on the analyses and conclusions by the Co-owners that the Project was the lowest cost alternative available to them, the

Secretary VanGerpen
Page Two of Two
Docket EL05-022

current factual record of the proceeding no longer supports the Commission's decision to issue the permit.

Thank you for including this letter of support in the record for this proceeding.

Sincerely,



Elizabeth I. Goodpaster

Attorney for Izaak Walton League of America – Midwest Office, Minnesotans for an Energy-Efficient Economy, Union of Concerned Scientists, and Minnesota Center for Environmental Advocacy

STATE OF SOUTH DAKOTA
BEFORE THE 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 Big
Stone II Project

AFFIDAVIT OF SERVICE

Docket No. EL-05-022

- Coraelsie F. Kester, being duly sworn, says that on the 21st day of August, 2006, she served via e-mail and/or U.S. mail a letter dated August 21, 2006, addressed to Patty Van Gerpen as Executive Director of the South Dakota Public Utilities Commission on the following persons:

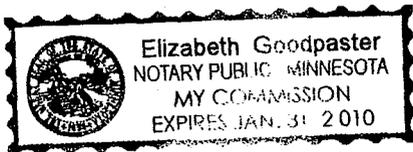
All persons on the attached service lists

Coraelsie F. Kester

Coraelsie F. Kester

Subscribed and sworn to before me
this 21st day of August, 2006.

Elizabeth Goodpaster
Notary Public



DOCKET EL05-022

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