

PO Box 496  
215 SOUTH CASCADE STREET  
FERGUS FALLS MN 56537

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DEC 17 2007

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

# BIG STONE TRANSMISSION

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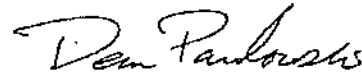
**BIG STONE**  
PARTNERS IN TRANSMISSION

December 13, 2007

Dear South Dakota Public Utilities Commission:

Enclosed please find a copy of the letter and material regarding the Big Stone Transmission project that was mailed out by Otter Tail Power to landowners the week of December 3<sup>rd</sup>.

Sincerely,



Dean Pawlowski  
Project Manager, Big Stone Transmission

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DEC 17 2007

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

# BIG STONE TRANSMISSION

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**BIG STONE**  
PARTNERS IN TRANSMISSION

December 4, 2007

Dear Landowner:

As I'm sure you know, the South Dakota Public Utilities Commission has awarded the Big Stone Transmission Project a permit to construct and to modify electric transmission facilities within South Dakota. The permit, which was issued on January 17, 2007, requires the Big Stone Transmission participants to periodically communicate with you and other landowners about various issues related to our construction project—something we would want to do anyway.

Project participants are moving forward with plans to construct the new and upgraded transmission facilities. The region's electric reserves are forecasted to disappear by 2011, which makes the need for projects like ours all the more critical to support additional generation resources. This includes new wind energy development in western Minnesota and eastern South Dakota.

As manager of the Big Stone Transmission project, I will keep you informed about our progress and other Big Stone Transmission matters that may be of interest to you. This initial letter includes the following pieces:

- A copy of the South Dakota Public Utilities Commission's order.
- Information regarding safety, potential dangers and prohibited activities that relate to living and working around transmission facilities.
- Information about crop damage compensation and other procedures.
- The address and telephone number of the Public Utilities Commission.

We do not anticipate any transmission construction taking place until 2010. I will send you a copy of our construction schedule and project map when our plans are more complete. In the meantime, we will continue to perform environmental and engineering work along the transmission route. I'm sure you can imagine that a construction project as extensive as Big Stone Transmission will keep us busy during its four-year lifespan. I am committed to keeping you informed of our progress and I invite you to contact me or my staff members if we can provide you with additional information or assistance.

The South Dakota Public Utilities Commission can be reached at:

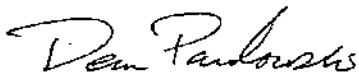
South Dakota Public Utilities Commission  
1<sup>st</sup> Floor Capitol Building  
Pierre, SD 57501-5070

Telephone: (605) 773-3201; 1-800 332-3201

In addition, you can contact the Big Stone Transmission project at:

Myron Rader  
Big Stone Transmission, Line Lead  
PO Box 496  
Fergus Falls, MN 56537  
(218) 739-8683  
mrader@otpc.com

Sincerely,



Dean Pawlowski  
Project Manager, Big Stone Transmission

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION BY ) OTTER TAIL POWER COMPANY ON BEHALF ) OF SEVEN REGIONAL UTILITIES FOR A ) PERMIT TO CONSTRUCT 5.45 MILES OF 230 ) KV TRANSMISSION LINE, 33 MILES OF 345 ) KV TRANSMISSION LINE, THE BIG STONE ) 345 KV SUBSTATION AND MODIFICATION OF ) THE BIG STONE 230 KV SUBSTATION )	) DECISION AND ORDER ) APPROVING STIPULATION ) AND GRANTING PERMIT TO ) CONSTRUCT ) TRANSMISSION FACILITIES  ) EL06-002
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On January 17, 2006, Otter Tail Power Company, on behalf of seven regional utilities (Applicants) - Otter Tail Power Company, Central Minnesota Municipal Power Agency, Great River Energy, Heartland Consumers Power District, Montana-Dakota Utilities Co., Southern Minnesota Municipal Power Agency, and Western Minnesota Municipal Power Agency (as represented by Missouri River Energy Services) filed an application for a permit to construct transmission lines and associated facilities in Grant and Deuel Counties in South Dakota. The applicants seek a Construction Permit designating a route and authorizing construction of three new transmission lines in South Dakota. Two lines would be constructed to 230 kV standards and would run from the Big Stone 230 kV Substation to a new Big Stone 345 kV Substation, with one 230 kV line continuing on to the Morris Substation near Morris, Minnesota, a distance of approximately 48 miles. Approximately 5.45 miles of new 230 kV line would be built in South Dakota. The third line would be constructed for future 345 kV operation but initially be operated at 230 kV and would run from the new Big Stone 345 kV Substation to the Granite Falls Substation in Granite Falls, Minnesota, a distance of approximately 90 miles, 33 miles of which are in South Dakota. In addition, modification of the existing Big Stone 230 kV Substation and existing transmission facilities and construction of a new Big Stone 345 kV Substation will also be required as part of the project.

On January 19, 2006, the Commission electronically transmitted notice of the filing to interested individuals and entities. Applications for Party Status were due by March 20, 2006. On March 13, 2006, the Commission received an Application for Party Status from the City of Gary. By order dated April 25, 2006, the Commission granted party status to the City of Gary. A public input hearing was held as scheduled on March 2, 2006, in Reville, South Dakota. On December 20, 2006, the Commission received a Stipulation entered into by the Applicants, the City of Gary and Commission Staff. The Stipulation set forth Findings of Fact, Conclusions of Law, and Terms and Conditions.

At its January 2, 2007, meeting, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-41B, specifically 49-41B-1, 49-41B-2, 49-41B-2.1, 49-41B-4, 49-41B-11, 49-41B-12, 49-41B-13, 49-41B-15, 49-41B-16, 49-41B-17, 49-41B-17.1, 49-41B-21, 49-41B-22, 49-41B-25, 49-41B-26, 49-41B-33, 49-41B-38, and ARSD Chapter 20:10:22. The Commission voted to approve the Stipulation and accept the Findings of Fact, Conclusions of Law, and Terms and Conditions. By approving the Stipulation, the Commission grants Applicants' application for a permit to construct transmission facilities, subject to the Findings of Fact, Conclusions of Law, and Terms and Conditions listed in the Stipulation.

It is therefore

ORDERED, that the Stipulation entered into by the Applicants, the City of Gary, and Commission Staff on December 20, 2006, shall be approved and shall be incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is

FURTHER ORDERED, that Applicants are granted a permit to construct the transmission facilities, subject to the Findings of Fact, Conclusions of Law, and Terms and Conditions listed in the Stipulation.

Dated at Pierre, South Dakota, this 16<sup>th</sup> day of January, 2007.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Neilino Kolbo</u>
Date: <u>1/17/07</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Dustin M. Johnson  
DUSTIN M. JOHNSON, Chairman

Gary Hanson  
GARY HANSON, Commissioner

Steve Kolbeck  
STEVE KOLBECK, Commissioner