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OF COUNSEL: Robert D. Hofer E. D. Mayer

MARGO D. NORTHRUP, Associate

May 15, 2007

Public Utilities Commission 500 E. Capitol Pierre, SD 57501

> Re: In the Matter of the Application of Navitas Energy, Inc. for an Energy Conversion Facility Permit for the Construction of the White Wind Farm and Associated Collection Substation and **Electric Interconnection System** EL 06-020

Gentlemen:

Enclosed herewith for filing please find Stipulation which has been executed by the parties.

By copy of this letter I am providing electronic copies to the parties involved.

Sincerely yours,

RITER, ROGERS, WATTIER & BROWN, LLP

By:

Darla Pollman Rogers

DPR-wb

Enclosure

Cc: All interested parties Heather Forney by Fax

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION BY NAVITAS ENERGY, INC. FOR AN ENERGY CONVERSION FACILITY PERMIT FOR THE CONSTRUCTION OF THE WHITE WIND FARM AND ASSOCIATED COLLECTION SUBSTATION AND ELECTRIC INTERCONNECTION SYSTEM

DOCKET NUMBER EL06-020

STIPULATION

SETTLEMENT STIPULATION

- 1. On July 11, 2006, White Wind Farm, LLC, a wholly owned subsidiary of Navitas Energy, Inc. ("Navitas") made Application to the South Dakota Public Utilities Commission ("Commission") for an energy conversion facility permit for construction and operation of the White Wind Farm.
- Said wind farm, consisting of up to 103 2 MW wind turbines and generators, is located within the service territory of Sioux Valley Energy ("Sioux Valley").
- Sioux Valley was granted intervention in this docket on November 17,
 and South Dakota Rural Electric Association ("SDREA") was granted intervention on October 3, 2006.
- 4. Thereafter, the parties entered into negotiations and have reached agreement on the following issues: (a) provisioning of station power to the wind farm; and (b) limitation of use of the collector lines to transmission of power. The terms and conditions of the Stipulation among the parties are as follows:

I. Station Power

- A. Sioux Valley agrees to sell and deliver to Navitas, and Navitas agrees to purchase and receive from Sioux Valley all electric power and energy, made available through interconnection to the grid, that Navitas may need for station power at the wind farm facility, except when generating power from the wind farm.
- B. Navitas shall pay Sioux Valley for said station power at rates consistent with Sioux Valley's other customers. Navitas agrees to remit payment upon receipt of monthly billings from Sioux Valley, and shall be subject to late payment penalties consistent with Sioux Valley's company policies.
- C. Navitas shall become a cooperative member of Sioux Valley, and shall be subject to Sioux Valley's terms and conditions of membership.
- D. The parties acknowledge that Basin Electric is the source of energy to provide station power to Navitas, and that East River Electric ("East River") sells and transmits said energy to Sioux Valley through the Western Area Power Administration ("WAPA") Integrated System ("IS"). Navitas will interconnect to WAPA's 345 kV at White, South Dakota, at which point a bi-directional meter will be installed to measure demand and energy.
- E. Navitas shall be responsible for all labor and costs of installing, maintaining, testing and replacing, if necessary, the bi-directional meter, which will be capable of measuring the power flow into and out of the wind farm project. The IS interconnection point to the wind farm will be a new point of delivery for East River. All power flowing into the wind farm and station power will be added to East River's load and bill-

ing to Sioux Valley. Sioux Valley will bill Navitas for its station power usage, all through the one bi-directional meter, with detents, installed at the point of interconnection. The metering is required to meet all of WAPA's applicable meter specifications.

Navitas shall allow WAPA to provide Sioux Valley, East River, and Basin Electric access to the meter readings from the bi-directional meter for the station power usage.

II. Collector Lines

- A. The parties further acknowledge that as a result of construction of the wind turbines and generators, Navitas will have access to collector circuits or lines utilized by the turbines.
- B. The parties hereby agree that Navitas will use its collector circuits or lines solely for the purpose of transmission of power generated by the turbines to the wholesale purchaser of said power. Navitas agrees not to use its collector circuits or lines to supply or distribute power to existing or new end-user customers, or for any purpose other than as agreed to by the parties herein.
- 5. The parties agree that this Stipulation is binding upon the parties hereto and upon the successors, legal representatives, and assigns of the respective parties hereto.
- 6. The parties agree that this Stipulation is subject to approval by the Commission. Upon approval by the Commission, Sioux Valley will not participate further in this docket.

7. By its signature hereto, SDREA agrees to the terms and conditions of this Stipulation, and will not participate further in this docket, upon Commission approval of this Stipulation.

NAVITAS ENERGY, INC.

By

Date MAY 7, 2007

SIOUX VALLEY ENERGY

By Mm L. Jak

Date <u>5-75-07</u>

SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION

Ву___

Date