



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION BY BUFFALO) DOCKET NO. EL08-031
RIDGE II, LLC, A SUBSIDIARY OF IBERDROLA)
RENEWABLES, INC., FOR AN ENERGY CONVERSION) SETTLEMENT
FACILITY PERMIT FOR THE CONSTRUCTION OF THE) STIPULATION WITH
BUFFALO RIDGE II WIND FARM AND ASSOCIATED) SIOUX VALLEY
COLLECTION SUBSTATION AND ELECTRIC INTER-)
CONNECTION SYSTEM)

SETTLEMENT STIPULATION

1. On October 31, 2008, Buffalo Ridge II, LLC (“Buffalo Ridge II”) made Application to the South Dakota Public Utilities Commission (“Commission”) for an Energy Conversion Facility Permit to construct and operate the Buffalo Ridge II Wind Farm (“Farm”) and Associated Collection and Substation Interconnection Systems.
2. Portions of the Buffalo Ridge II Wind Farm, consisting of name plate capacity of up to 306 megawatts, are located within the service territory of Sioux Valley Southwestern Electric Cooperative, Inc. (“Sioux Valley”).
3. Sioux Valley was granted intervention in this docket on February 5, 2009, and South Dakota Rural Electric Association (“SDREA”) was granted intervention on February 5, 2009.
4. Thereafter, the parties entered into negotiations and have reached agreement on the following issues: (a) provisioning of station power to the wind farm; (b) limitation of use of the collector lines to transmission of power; and (c) safe and sound crossings where Buffalo Ridge II collector lines intersect with Sioux Valley facilities.

I. Station Power

A. The parties acknowledge that Sioux Valley is the incumbent provider of retail electrical services for a portion of the project as noted on the attached Exhibit A. Pursuant to

state law, Sioux Valley agrees to sell and deliver to Buffalo Ridge II and Buffalo Ridge II agrees to purchase, at prevailing and applicable commercial/industrial rates, and receive from Sioux Valley all electric power and energy, made available through interconnection to the grid, that Buffalo Ridge II may need for station power at the portions of the wind farm facility located within the service territory of Sioux Valley, except when generating power from the wind farm for the provision of authorized self-supply of station power.

B. Buffalo Ridge II will interconnect to Sioux Valley at a “Point of Delivery” to be determined from time to time by the parties hereto, at which point a bi-directional meter will be installed to measure demand and energy.

II. Collector Lines

The parties further acknowledge that Buffalo Ridge II is not a provider of retail electrical services under SDCL 49-34A, and that Buffalo Ridge II has no territory under that law in which to lawfully provide retail electrical services to others. Absent changes to applicable laws, Buffalo Ridge II agrees it will not provide retail electric service in South Dakota. Buffalo Ridge II agrees not to use its collector circuits or lines to supply or distribute power to existing or new end-user customers within Sioux Valley’s service territory.

III. Intersections

The parties acknowledge that at present, Sioux Valley has existing transmission and distribution lines within the boundaries of the Site, and that during and post construction, both parties will have similar facilities which may cross or perhaps be essentially collocated. The party constructing or planning to construct in proximity to facilities of the other shall bear responsibility to contact the other prior to construction and advise of construction plans. Both parties pledge to use good faith to negotiate and resolve any disputes.

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. SDREA was granted intervention in this docket on February 5, 2009. By its signature to this Settlement Stipulation, SDREA acknowledges Sioux Valley's acceptance of the terms and conditions of this Stipulation, and SDREA will not participate further in this docket.

BUFFALO RIDGE II, LLC

By: Tim Sect

Its: Director, Development

Date: 4-15-09

SIoux VALLEY SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

By: Don Johnson

Its: GM/CEO

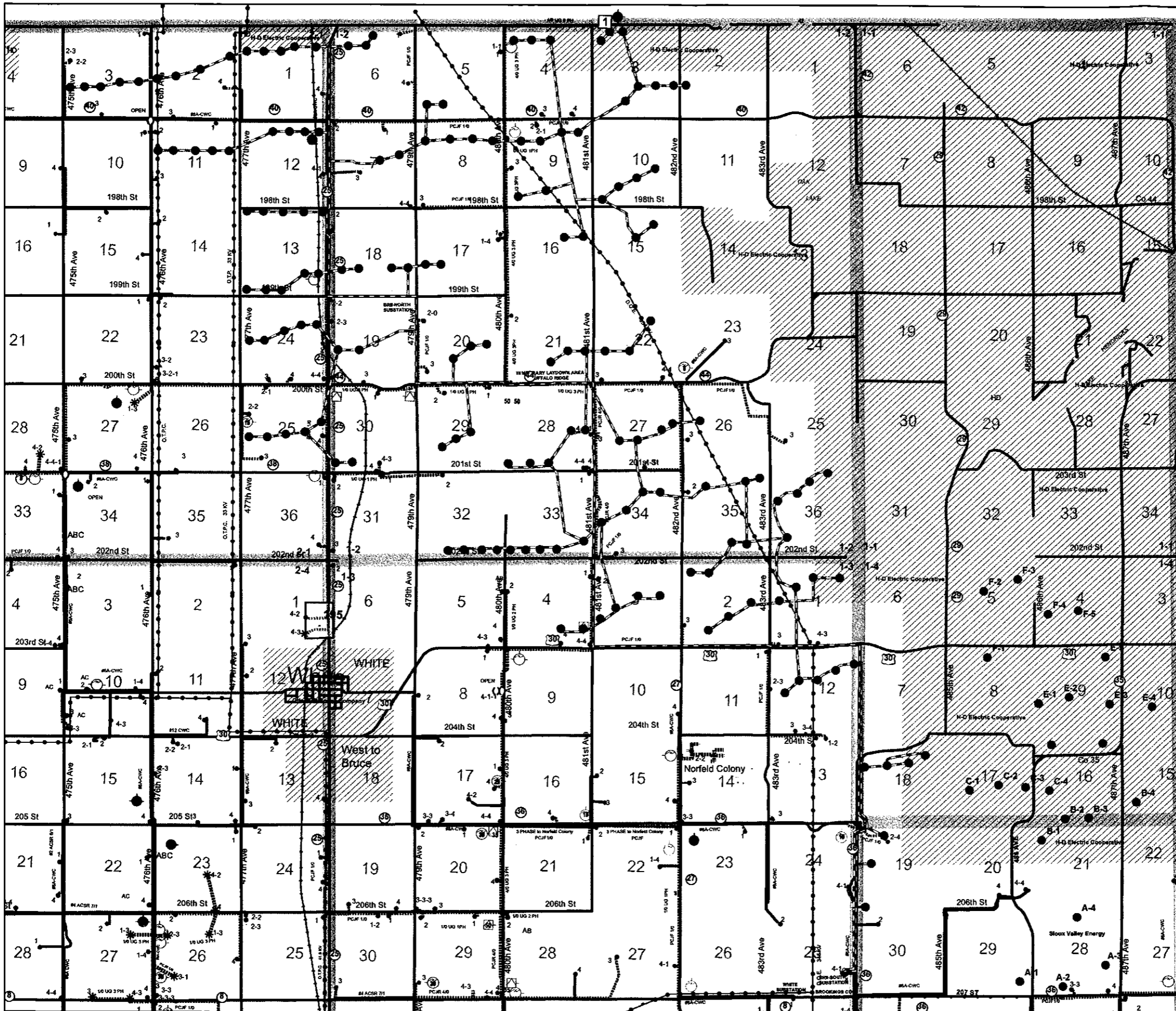
Date: 4-15-09

SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION

By: Ed Anderson

Its: General Manager

Date: 4-15-09

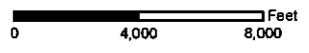
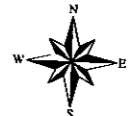


Sioux Valley Energy System Map

BUFFALO RIDGE WIND FARM

- Buffalo Ridge I Turbine (26)
- Buffalo Ridge II Turbine (161)

- Underground Cabling
- Proposed 115 kV OH
- Proposed 34.5 kV OH
- Existing Transmission



The information displayed on this map represents current data from a working file which is updated continuously. Information is believed reliable, but its accuracy cannot be guaranteed.

Map Date: January 22, 2009