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November 2, 2012

Mr. Matt Blevins
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213



Dear Mr. Blevins:

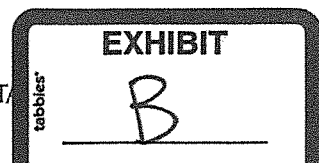
Subject: Summary of Phone Call Regarding the Big Stone South-Brookings County
Transmission Line project

Thank you for taking the time to visit with me on October 19, 2012 regarding a new transmission line project being planned in South Dakota. The purpose of this letter is to provide a written context of the call and communicate my understanding that this new project will not require any approval or action from the Western Area Power Administration (Western).

The new transmission line project, termed the Big Stone South-Brookings County project (BSSB Project), is a 70-mile, 345 kV transmission line proposed between a new Big Stone South Substation near Big Stone City, S.D., to the Brookings County Substation near Brookings, S.D. The BSSB Project is one of 16 multi-value projects approved by the Midwest Independent Transmissions System Operator in December 2011. Otter Tail Power Company (Otter Tail) is jointly developing the Project with Xcel Energy.

Although the BSSB Project will not interconnect with Western's transmission system, Otter Tail wanted to make Western aware of the Project because approximately 40 miles of the line will follow the same route as a small portion of the transmission line route previously planned for the Big Stone II project. As you may remember, the Big Stone II project (Big Stone II Project) involved construction of a new 600-megawatt coal-fired electric power plant and approximately 140 miles of new or upgraded transmission lines that would have interconnected at Western's Morris and Granite Falls substations in Minnesota. Western was the lead agency in preparing an environmental impact statement (DOE/EIS-0377) for the Big Stone II Project, and ultimately issued a Record of Decision granting the Big Stone II interconnection request on August 24, 2009. Shortly after that decision, in November of 2009, the Big Stone II Project was canceled, and going forward there are no intentions to re-develop that Project.

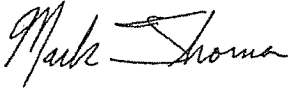
Based on this description, you were able to clearly indicate that since the BSSB Project is new and does not interconnect with Western, a Federal EIS from Western is not required for the BSSB Project. Stated differently, from Western's perspective the Big Stone II Project EIS, the related Programmatic Agreement, and associated actions, were specific to only the Big Stone II Project, and would not apply to the new BSSB Project.



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Please let me know if you have any concerns with my takeaway from our conversation or if you would like further information on the BSSB Project. I know you have a very busy schedule and I greatly appreciated you taking the time to talk. I can be contacted directly at mthoma@otpc.com or at (218).739.8526.

Sincerely,



Mark Thoma
Manager, Environmental Services

C: Mr. Nicholas Stas
Environmental Manager
Western Area Power Administration
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