

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

IN THE MATTER OF THE APPLICATION)	
OF NORTHERN STATES POWER)	SETTLEMENT STIPULATION
COMPANY DBA XCEL ENERGY AND)	
OTTER TAIL POWER COMPANY FOR A)	EL13-020
PERMIT TO CONSTRUCT THE BIG STONE)	
SOUTH TO BROOKINGS COUNTY 345 KV)	
TRANSMISSION LINE	

It is hereby stipulated and agreed by and among Northern States Power Company d/b/a Xcel Energy and Otter Tail Power Company (jointly "Applicant"), Dakota Rural Action ("DRA"), Basin Electric Power Cooperative ("Basin"), Brookings County, and the South Dakota Public Utilities Commission Staff ("Staff"), (jointly "Party" or "Parties"), that the following Settlement Stipulation ("Stipulation") may be adopted by the South Dakota Public Utilities Commission ("Commission") in the above-captioned matter. In support of its Application for a Facility Permit for the Big Stone South to Brookings County 345 kV Transmission Line Project, Applicant does hereby offer this Stipulation, the Application filed June 3, 2013, and all responses submitted by the Applicant to the Staff's data requests. The Parties offer no answering testimony or exhibits, conditioned upon the Commission accepting the following Stipulation and the Terms and Conditions without any material condition or modification.

I. INTRODUCTION

Northern States Power Company, a Minnesota corporation d/b/a Xcel Energy and Otter Tail Power Company propose to own and construct the Big Stone South to Brookings County 345kV electric transmission facilities ("Project"). The Project includes new 345 kV electric transmission facilities of approximately 43 miles in length and the expansion of one existing substation, the Brookings County Substation. This Project will utilize the permit obtained in this docket in addition to the permit obtained in Docket No. EL06-002 and certified in Docket No. EL12-063.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket No. EL13-020. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

1. Upon execution of the Stipulation, the Parties shall file this Stipulation with the Commission together with a joint motion requesting that the Commission issue an order approving this Stipulation in its entirety without condition or modification.

2. This Stipulation includes all terms and conditions of settlement and is submitted with the condition that, in the event the Commission imposes any material changes or conditions to this Stipulation which are unacceptable to any Party, this Stipulation may, at the option of any Party, be withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.
3. This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation is intended to relate only to the specific matter referred to herein; no Party waives any claim or right, which it may otherwise have, with respect to any matter not expressly provided for herein. No Party or a representative thereof shall directly or indirectly refer to this Stipulation as precedent in any other current or future proceeding before the Commission.
4. The Parties to this proceeding stipulate that all pre-filed exhibits and responses to Staff data requests submitted on July 30, 2013, October 21, 2013, and January 14, 2014, will be made a part of the record in this proceeding. The Parties understand that if this matter had not been settled, the Parties would have filed direct and rebuttal testimony.
5. The terms and conditions contained in this Stipulation shall inure to the benefit of and be binding upon the respective successors, affiliates, owners, stockholders, partners, parents, subsidiaries, directors, officers, agents, employees, representatives, attorneys, and assigns of the Parties. In addition, the terms and conditions of this Stipulation, including all facts leading up to the signing of this Stipulation, shall bind the Parties, including consultants, contractors, and retained professionals.
6. This Stipulation constitutes the entire agreement between the Parties and shall be deemed to supersede any other understandings or agreements, whether written, oral, expressed or implied, relating to the Application. This Stipulation may not be amended, modified, or supplemented, and waivers or consents to departures from the terms and conditions of this Stipulation may not be given without the written consent thereto executed by all Parties.
7. This Stipulation shall be interpreted and construed in accordance with the laws of the State of South Dakota.
8. This Stipulation may be executed by electronic mail or facsimile and in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.
9. The Parties agree that subject to the four elements of proof under SDCL § 49-41B-22, the Commission has the authority to grant, deny, or grant upon reasonable terms, conditions or modifications a permit for the construction, operation, and maintenance of the Project. Each Party further agrees that Applicant has met its burden of proof pursuant to SDCL § 49-41B-22 and is entitled to a permit to construct the Project as provided in SDCL § 49-41B-24, subject to the following:

III. TERMS AND CONDITIONS OF THE SETTLEMENT STIPULATION

1.

Applicant will obtain all governmental permits which reasonably may be required by any township, county, state or federal agency or any other governmental unit for construction activity prior to engaging in the particular activity covered by that permit. Copies of any permits obtained by Applicant shall be filed with the Commission.

2.

Applicant shall construct, operate, and maintain the Project in a manner consistent with: (1) descriptions in the Application, (2) Application supplements, (3) responses to data requests, (4) the Terms and Conditions of the Permit to Construct Facilities, and (5) any applicable industry standards.

3.

Applicant agrees that the Commission's complaint process as set forth in ARSD 20:10:01 shall be available to landowners, other persons sustaining or threatened with damage as the result of Applicant's failure to abide by the conditions of the Permit or otherwise having standing to seek enforcement of the conditions of the Permit.

4.

Applicant shall provide each landowner on whose property the Project is to be constructed with the following information:

- a) A copy of the Commission's Order Granting Permit to Construct Facilities;
- b) Detailed safety information describing:
 - 1) Reasonable safety precautions for existing activities on or near the Project,
 - 2) Known activities or uses that are presently prohibited near the Project, and
 - 3) Other potential dangers or limitations near the Project;
- c) Construction/maintenance damage compensation policies and procedures;
- d) Commission's address, website, and phone number; and
- e) Contact person for Applicant, including name, e-mail address and phone number.

5.

In order to ensure compliance with the terms and conditions of this Permit pursuant to SDCL 49-41B-33, it is necessary for the enforcement of this Order that all employees,

contractors, and agents of Applicant involved in this Project be made aware of the terms and conditions of this Permit.

6.

Except as otherwise provided in the conditions of this Stipulation, Applicant shall comply with all mitigation measures set forth in the Application and in Applicant responses to Staff data requests. Material modifications to the mitigation measures shall be subject to prior approval of the Commission.

7.

Applicant will negotiate road use agreements with Deuel County, Brookings County, and all affected townships, if required. Applicant will follow the terms of all road use agreements. Applicant shall take appropriate action to mitigate wind-blown particles created throughout the construction process, including but not limited to implementation of dust control measures such as road watering, covering of open haul trucks when transporting material subject to being windblown, and the removal of any soils or mud deposits by construction equipment when necessary.

8.

Applicant shall comply with the following conditions regarding road protection:

- a) Applicant shall acquire all necessary permits authorizing the crossing of county and township roads.
- b) Applicant shall coordinate road closures with state and local governments and emergency responders.
- c) Applicant shall implement a regular program of road maintenance and repair throughout the active construction period to keep paved and gravel roads in an acceptable condition for residents and the general public.
- d) After construction, Applicant shall repair and restore deteriorated roads resulting from construction traffic, or compensate governmental entities for their repair and restoration of deteriorated roads, such that the roads are returned to their preconstruction condition.
- e) Privately owned areas used as temporary roads during construction will be restored to their original condition, except as otherwise requested or agreed to by the landowner.
- f) Should Applicant need to widen any existing roadways during construction of the Project, the Applicant shall return the roadways back to original width after completion of the Project, unless agreed upon otherwise with the county, township, State, or landowner.

9.

Applicant will negotiate crossing agreements with owners of existing underground pipeline facilities and will follow the terms of all such agreements. Applicant will coordinate with pipeline owners to perform any necessary studies to ensure that the Project does not cause harm to existing pipeline facilities. Based on the outcome of these studies, Applicant will work with pipeline owners to implement any necessary and reasonable mitigation requirements.

10.

Applicant will provide signage that identifies road closures and disturbances in the Project in accordance with the most recent edition of the Manual on Uniform Traffic Control Devices as published by the Federal Highway Administration.

11.

Applicant shall promptly report to the Commission the presence of any critical habitat of threatened or endangered species or native grasslands in the siting area that Applicant becomes aware of and that was not previously reported to the Commission.

12.

Applicant agrees to follow the practices set forth in the correspondence between Applicant and the South Dakota State Historical Society dated December 4, 2012, and attached hereto as Exhibit I.

13.

Applicant agrees to avoid cultural resources sites not evaluated or eligible for listing on, or already listed on, the National Register of Historic Places (NRHP). When NRHP-eligible or listed sites cannot be avoided, Applicant will notify the State Historic Preservation Office (SHPO) and the Commission of the reasons that complete avoidance cannot be achieved in order to coordinate minimization and/or treatment measures.

14.

If during construction Applicant discovers what may be a cultural resource, human skeletal remains, or associated funerary objects, Applicant or its agent shall immediately cease work at the location and notify the landowner(s), the SHPO, and other authorities as appropriate (per SDCL 34-27-25 and SDCL 34-27-28 in the case of human burials). If it is determined, in coordination with SHPO, that a significant resource is present, Applicant shall develop a plan that is acceptable to the landowner and SHPO that minimizes the impact or threat to the resource.

15.

Applicant shall follow all protection and mitigation efforts as identified by the U. S. Fish and Wildlife Service (USFWS) and South Dakota Game, Fish, and Parks (SD GF&P). This shall include, but not be limited to, the requirements and/or mitigation measures outlined in the correspondences between Applicant and the USFWS on July 6, 2012, August 6, 2012, and November 27, 2012. This shall further include completing any studies and/or additional mitigation measures agreed upon during the April 29, 2013, meeting with the USFWS and SD GF&P.

16.

Applicant shall conform to the Avian Protection Plan Guidelines prepared by the Avian Power Line Interaction Committee and USFWS.

17.

Applicant shall provide the Stormwater Pollution Prevention Plan (SWPPP) to the Commission when Applicant has a final design for the Project. The SWPPP will outline the water and soil conservation practices that will be used during construction to prevent or minimize erosion and sedimentation. The SWPPP will be completed before submittal of an application for a National Pollutant Discharge Elimination System (NPDES) general permit for construction activities. All contractors will be given a copy of the SWPPP and requirements will be reviewed with them prior to the start of construction.

18.

Applicant will repair and restore areas disturbed by construction or maintenance of the Project. Except as otherwise agreed to by the landowner, restoration will include replacement of original pre-construction topsoil to its original elevation, contour, and compaction and re-establishment of original vegetation as close thereto as reasonably practical.

19.

Applicant's obligation with respect to restoration and maintenance of the right-of-way (ROW) shall continue throughout the life of the Project for disturbances caused by the actions of the Applicant. Where the soil is disturbed during construction or maintenance of the line, Applicant shall restore vegetation in and along the ROW. If noxious weeds sprout in restored areas, Applicant will remove/eliminate them. Landowner permission shall be obtained before the initial application of herbicides.

20.

Applicant shall restore and clean-up the ROW continuously throughout the duration of the Project's construction as the timing of construction activities result in the need to do so.

21.

Applicant shall stage construction materials in a manner that minimizes the adverse impact to landowners as agreed upon between Applicant and landowner. All construction materials and debris shall be removed upon completion of the project. In addition, any temporary guard poles shall be removed, unless agreed upon otherwise by the township, county, state, and/or landowner.

22.

Applicant shall, in a manner consistent with its easement agreement with a landowner, repair or replace all private property removed or damaged during all phases of construction, including but not limited to the following: fences, gates, utility, water supply, irrigation, or drainage systems. Applicant shall compensate the owners for damages or losses that cannot be fully remedied by repair or replacement, such as lost productivity and crop and livestock losses.

23.

If it becomes necessary to materially deviate from the described centerline to accommodate engineering and applicable safety and construction requirements based upon actual conditions encountered during construction, all landowners affected by the deviation and the Commission must be notified in writing five working days before the deviation may occur. The Commission must approve all material deviations from the described centerline. For purposes of this paragraph, the term "material deviations" shall mean any action or activity outside the reasonable parameters of the Permit.

24.

In order to mitigate interference with agricultural operations during and after construction, Applicant shall locate all structures, to the extent feasible and prudent, to minimize adverse impacts and interferences with agricultural operations, shelterbelts and other land uses or activities. Applicant shall take appropriate precautions to protect livestock and crops during construction.

25.

The terms and conditions of the Permit shall be made a uniform condition of construction, subject only to an affirmative written request for an exemption addressed to the Commission. A request for an exemption shall clearly state which particular condition should not be applied to the property in question and the reason for the requested exemption. The Commission shall evaluate such requests on a case-by-case basis.

26.

If the presence of operation of the Project causes interference with radio, television, or any other licensed communication device, Applicant shall take all appropriate action to minimize any such interference and shall make a good faith effort to restore or provide reception levels equivalent to reception levels in the immediate areas just prior to construction of the Project. This mitigation requirement shall apply to homes or other structures in place at the time of construction, but it shall not apply to any dwellings or other structures built after completion of the Project.

27.

Applicant shall use appropriate preventative measures to prevent damage to paved roads and to remove excess soil or mud from such roadways. Before commencing construction, Applicant shall furnish an indemnity bond in the amount of \$150,000 to comply with the requirements of SDCL 49-41B-38. Such bond shall be issued in favor of, and for the benefit of, all such townships, counties, and other governmental entities whose property is crossed by the transmission facilities. The bond shall remain in effect until released by the Commission, which release shall not be unreasonably denied following completion of the construction and remediation period. Applicant shall give notice of the existence and amount of the bond to all counties, townships and other governmental entities whose property is crossed by the Project.

28.

Applicant will provide Global Positioning System (GPS) coordinates of structure locations to affected landowners at any time during the life of the Project. Coordinates will be provided in writing to landowners within 30 days of a request.

29.

Not less than 30 days prior to commencement of construction work in the field, Applicant will provide to Staff the most current pre-construction design, layout and plans. Applicant also will provide such additional pre-construction information as Staff requests.

30.

Within 90 days of the Project's completion, Applicant shall submit a report to the Commission that provides the following information: 1) as-built location of structures and route, including drawings; 2) status of remedial activities for road damage, landowner property damage, crop damage, environmental damage, or any other damage that resulted from construction activities; and 3) a summary of known landowner complaints and Applicant's plan for resolving the complaints.

31.

Prior to construction, Applicant will notify public safety agencies providing a schedule and location of work to be performed within their jurisdiction. The agencies contacted will include the South Dakota Department of Public Safety, Sheriffs of Deuel and Brookings Counties, and Deuel and Brookings County Offices of Emergency Management.

Dated: Feb 7, 2014

Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy and Otter Tail Power Company



Brett Koenecke
Attorney for Applicants

Dated: _____

Robert Hill
Planning Officer
Brookings County, South Dakota

Dated: _____

Frank James
Director
Dakota Rural Action

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Dated: _____

Northern States Power Company, a Minnesota
corporation, d/b/a Xcel Energy and Otter Tail
Power Company

Dated: 2/06/2014

Brett Koenecke
Attorney for Applicants



Robert Hill
Planning Officer
Brookings County, South Dakota

Dated: _____

Frank James
Director
Dakota Rural Action

Dated: 2/6/14



Casey Jacobson
Staff Attorney
Basin Electric Power Cooperative

Dated: _____

Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission

Dated: _____

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Dated: 2/6/14

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Dated: _____


Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy and Otter Tail Power Company

Brett Koenecke
Attorney for Applicants

Dated: _____

Robert Hill
Planning Officer
Brookings County, South Dakota

Dated: 2-10-14 _____



Frank James
Director
Dakota Rural Action



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December 4, 2012

Ms. Paige Olson
Ecological Services
South Dakota State Historical Society
900 Governors Drive
Pierre, South Dakota 57501

Subject: Big Stone South to Brookings County Project (Project)
Grant, Deuel, and Brookings Counties, South Dakota

Dear Ms. Olson:

Thank you for meeting with us on November 8, 2012. The information contained herein reiterates our discussion, including the approach agreed upon as it relates to the assessment and/or mitigation of cultural resources.

Background and Introduction

Otter Tail Power Company is seeking the recertification of portions of the permit granted in South Dakota Public Utilities Commission Docket EL06-002 (*In the Matter of the Application by Otter Tail Power Company on behalf of Seven Regional Utilities for a Certification Permit to Construct 5.43 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; January 16, 2007 Decision and Order Approving Stipulation and Granting Permit to Construct Transmission Facilities*).

South Dakota Codified Law § 49-41B-27 requires that if construction has not commenced within four years after a permit has been issued, the utility must certify to the Commission that the facility continues to meet the conditions upon which the permit was granted. More than four years have passed since the permit was granted in this docket so recertification of the permit is being sought.

The original permit in this docket provided for the construction of several transmission and substation project components which provided multiple system benefits, including increased system capacity, greater reliability and system flexibility. These project components were complimentary to, but separate from the construction of the then proposed Big Stone II generating plant. In 2007 the Big Stone II generation plant was canceled however, the need for transmission service in the region remains and that need is independent of any one generation facility.

On December 7, 2011 the Midwest Independent System Operator (MISO) approved a plan to seek the construction of 17 transmission projects across the Midwest designed to provide system

benefits that include increased system capacity, greater reliability and more flexibility. One of the approved projects is a 70 mile line from Brookings County to Big Stone. On February 23, 2012, Xcel Energy and Otter Tail Power gave notice to the Commission that they intended to jointly construct and operate the line. Of the 70 miles of transmission comprising what is now identified as the Big Stone South to Brookings County Project (Project), 33 miles of suitable facilities have already been approved in the 2007 Big Stone II Commission Order (Docket EL06-002).

The original Big Stone II Project included multiple transmission lines in South Dakota and Minnesota. The new Big Stone South to Brookings County Project includes approximately 33 miles of the originally permitted transmission facilities including, a 230 kV transmission line from the existing Big Stone Substation to the proposed Big Stone South Substation, the Big Stone South 345 kV Substation, and a 345 kV transmission line from the proposed Big Stone south Substation to the existing Brookings County Substation.

In conjunction with seeking recertification of the 33-mile segment of the Project, and also as it relates to routing and certifying the additional 37-miles, affected agencies are being re-engaged. As identified above, the Project was previously identified as a subset component of the Big Stone II Project. A Programmatic Agreement (PA) and Environmental Impact Statement (EIS) were developed for that project. Both documents outlined various mitigation measures or protocols. Due to the revisions in the project and in consultation with Western, it has been determined that the original federal nexus that created the EIS and PA no longer exists and no new federal nexus will exist with the proposed Project. While there is no federal nexus with the current proposed Project, Xcel Energy and Otter Tail Power remain committed to implementing the mitigation measures identified within the EIS and the PA as it relates to cultural resources for the transmission facilities.

The information below provides direct excerpts from the 2007 EIS and the 2008 PA. Text outlined (in green) represents those measures that are relevant to the transmission facilities and that Xcel Energy and Otter Tail Power remain committed to implement. Where text is stricken (in red), this language no longer applies. While the 2008 Programmatic Agreement also addresses standards to be complied with, methods of determining eligibility, review and consultation, discoveries and unanticipated effects, discovery of human remains, undertaking modifications and initiating construction activities, the information below focuses on those measures associated with identifying and mitigating the potential for impact to cultural resources. Those items not specifically addressed below would still be implemented, to the extent applicable or appropriate, through coordination with the State Historic Society. As discussed in our meeting we will reach out to the tribal entities in the project area for their information.

As Excerpted from the 2007 EIS List of Standard Mitigation Measures

No.	Standard Mitigation Measure	Power Plant	Groundwater	Transmission	Substation Modifications
Cultural Resources					
Cult-1	A Class III Cultural Survey would be performed for the areas of potential effect in accordance with the Programmatic Agreement developed for the proposed Project. Surveys would be coordinated with the appropriate landowner or land management agency. As lead Federal agency, Western would make a determination of eligibility for any findings of cultural or historical properties. These findings would be reviewed with the State Historic Preservation Offices and other appropriate agencies. Specific mitigation measures necessary for each site or resource would be determined, and may include relocation of access roads, structures, and other disturbed areas to avoid cultural sites that should not be disturbed, or data recovery if a site cannot be avoided.	X	X	X	X
Cult-2	Provisions of the Programmatic Agreement would be adhered to by all parties, including: <ul style="list-style-type: none"> - Construction crews would be informed of the need to cease work in the location if cultural resource items are discovered. - Construction activities would be monitored or sites flagged to prevent inadvertent destruction of any cultural resource for which the agreed mitigation was avoidance. - Construction crews would be monitored to the extent possible to prevent vandalism or unauthorized removal or disturbance of cultural artifacts or materials from sites where the agreed mitigation was avoidance. - Should any cultural resources not identified during the Class III Cultural Survey be encountered during construction, ground disturbance activities at that location would be suspended until the provisions of the National Historic Preservation Act and enabling legislation have been carried out. 	X	X	X	X

As Excerpted from the 2008 Programmatic Agreement

Areas of Potential Effect

II. AREAS OF POTENTIAL EFFECTS

A. The Area's of Potential Effect (APE) for the Undertaking are defined as follows:

1. Power Plant Facility: The APE for construction of the new power plant shall include the footprint of the new parcel and plant and all adjacent facilities and new utility lines, plus a buffer extending 200 feet outward in all directions from the perimeter of the footprint. Phase II Survey (Intensive survey-see Section IV.B.) will be conducted within the entire footprint and buffer area. The visual effect will be assessed for a one mile radius from the proposed Big Stone II plant site.

2. The APE for the ground water production wells shall be a 200-foot radius from each well location. The APE for the groundwater supply lines shall be a 65-foot wide corridor centered on the water pipeline line centerline.

3. Transmission Lines: The new and existing transmission line APE shall be a 200-foot-wide corridor centered on the transmission line centerline, except at turning points where there would be a 300-foot-wide arc. Phase II Survey will be conducted for the full length of the transmission line corridors at the 200-foot from centerline width. Visual effects from transmission lines will be assessed at a distance of one-quarter mile either side of the centerline.

4. Existing Substations: The APE for expansions to existing substations into areas not previously surveyed shall include the footprint of the new expansion and all adjacent utilities and new utility lines. If the modifications include an expansion of the fenced area of a substation, the APE shall include a buffer extending 200 feet outward in all directions from the perimeter of the expansion area of each substation. A Phase II survey will be conducted of the entire footprint and buffer area. Visual effects will be assessed at a distance of one-quarter mile from the expansion footprint.

5. New Access Roads: The new access roads APE shall be a 100-foot-wide corridor centered on the new access road centerline. Phase II survey will be conducted of the entire 100-foot width and full length of any new access roads.

6. Staging/Laydown Areas: The staging/laydown areas APE shall be the footprint of each area and all adjacent facilities, plus a buffer extending 200 feet outward in all directions from the perimeter of each footprint. A Phase II survey of the entire footprint and buffer will be conducted for all laydown areas.

7. Borrow Areas: All existing and new borrow areas will have an APE with a 200 foot buffer. Borrow areas would include areas where soils are moved from one location within the proposed Project area to another location of the proposed Project area and any material that can be used for fill from off-site sources. A Phase II survey will be conducted of the entire area targeted for borrowing and the 200-foot-wide buffer. Placement of excavated borrow material shall be within previously surveyed areas and avoid all historic properties.

Standards

III. STANDARDS

A. Professional Qualifications:

1. All actions ~~prescribed by this Agreement~~ that involve the identification, evaluation, analysis, recordation, treatment, monitoring, mitigation, and disposition of historic properties and that involve the reporting and documentation of such actions in the form of reports, forms or other records, shall be carried out by or under the direct supervision of a person or persons meeting at a minimum, the Secretary of the Interior's Professional Qualifications Standards [PQS] for archaeology, history, or architectural history, as appropriate (48 FR 44739).

These actions will also be carried out in accordance with the applicable standards, guidelines and forms for historic preservation activities established by the South Dakota State Historic Preservation Office.

Identification

1. A records, literature, and state site file study of archaeological, architectural, and other cultural resources within the proposed Project study area (which includes the APE) will be performed ~~prior to completion of the Draft EIS and~~ prior to the start of any Phase III survey work.. If Federal lands are involved, Federal databases/records should also be reviewed. This records review will include the full transmission line corridors ~~identified for the NEPA analysis for each transmission line.~~ The inventory for architectural resources will include a windshield survey to examine the potential for properties within the APE that are at or over a 45 year threshold.

2. Western will consult with the signatories to identify previously recorded cultural resources within the APE. Data sources will include, but will not be limited to, the Archaeological Resources Management System (ARMS) and Cultural Resources Geographic Research Information Display (CRGRID) databases (provided by the State of South Dakota), General Land Office (GLO) Maps and Field Notes, and files and maps at the South Dakota Historical Society Archaeological Research Center and the Minnesota State Historic Preservation Office.

3. The records and literature study area will include lands within the APEs for project components ~~identified in Stipulation II as well as for each project alternative addressed in the NEPA document.~~

4. Western will consult with the signatories to identify traditional cultural properties (TCPs) and sites, areas or landscapes of historic or cultural value to Native Americans.

5. Otter Tail Power Company and Western shall consult and coordinate with tribes to plan and conduct any TCP studies for the project. Personnel working on any studies shall meet the requirements of Stipulation III.a.4 of the agreement.

B. Phase III Intensive Surveys (Class III Survey, as defined in BLM Manual 8100 Guidance):

1. ~~Western will oversee an intensive Phase III cultural resource survey of archaeological, architectural and other cultural resources of the undertaking following issuance of the NEPA decision document. The Phase III inventory will include a level of investigation appropriate to the APE for the preferred alternative project components, including surface reconnaissance and/or subsurface testing as dictated by the given field conditions as agreed upon with the South Dakota, Minnesota SHPOs, and the Tribes. Whenever possible, recommendations of National Register eligibility will be forwarded for sites recorded. In the case of large, complex sites, sites with deeply buried components or in cases where avoidance is possible, National Register eligibility may be left as undetermined. Sites that cannot be avoided by the proposed Project and which have undetermined National Register eligibility will be tested using a testing plan approved by all signatories of this document. In addition, assuming that Otter Tail Power Company has rights of entry for a property before the issuance of the NEPA decision~~

2. In order to assess visual effects, a windshield survey of the built environment and cultural landscapes will be performed within one mile of the centerline ~~of each transmission line alternative and within one mile of the Big Stone II Plant.~~ An effort will be made to record the built environment which is 45 years or older at a level adequate to determine project effects to the extent practical. This will include recordation on the appropriate state inventory forms when possible and using methods acceptable to the state in which the sites are found.
3. The study areas for the Phase III survey will include lands within the APEs for project components, as identified in Stipulation II, for the Undertaking.

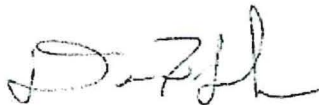
Historic Properties Treatment Plan

B. The HPTP will identify all historic properties recorded as a result of the inventories and provide a detailed description of potential effects to each (see Stipulation VI). The HPTP will identify specific treatment strategies proposed to address project effects at each location. Avoidance will be the preferred mitigation measure. Avoidance could include redesign for the undertaking or relocation of specific components of the undertaking.

C. For adverse effects, the HPTP will provide specific treatment measures that could include but will not be limited to mitigation or other documentation. The HPTP will reflect the guidance provided by the Advisory Council in Treatment of Archaeological Properties (1980), other standards of the Secretary of the Interior, National Park Service bulletins, and other appropriate published Federal guidelines.

Otter Tail Power and Xcel Energy respectfully request your concurrence with the approach as discussed in our November 8, 2012 meeting and further identified above, to be provided via letter correspondence. Thank you in advance for your time and consideration. If you have any questions or require additional information about this Project, please contact me at (763) 493-1808 or darrin.f.lahr@xcelenergy.com.

Sincerely,



Darrin Lahr
Xcel Energy

cc: Doni Murphy, Andrew Bielakowski, Mark Doperalski – ERM