

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

IN THE MATTER OF THE FILING BY OTTER TAIL CORPORATION REGARDING ITS NOTIFICATION OF INTENT TO APPLY FOR A PERMIT FOR AN ENERGY CONVERSION FACILITY)	ORDER GRANTING MOTION TO RECONSIDER ORDER OF DECEMBER 5, 2001, AND ORDER DESIGNATING AFFECTED AREA AND LOCAL REVIEW COMMITTEE EL01-027
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On November 5, 2001, the Public Utilities Commission (Commission) received a notification of intent to submit an application for a permit for an energy conversion facility from Otter Tail Corporation (OTC). OTC proposes to construct an electric generating facility, Big Stone II, adjacent to the existing Big Stone Plant. The site is located principally in Section 12, Township 121 North, Range 47 West and Section 7, Township 121 North, Range 46 West, Grant County, South Dakota. Plans are to use the existing plant site for the major equipment. However, additional property is required for the Big Stone II project for possible expansion of the existing cooling reservoir, future ash disposal facilities, wetlands mitigation, and general facility buffer zones. The proposed plant will burn Powder River Basin coal and be capable of producing approximately 600 MW. The boiler technology has not been selected at this time. The technologies under consideration are circulating fluidized bed, sub-critical pulverized coal, or supercritical pulverized coal. The pollution control technology selected will depend upon the boiler technology and a Best Available Control Technology review as required by the Prevention of Significant Deterioration Pre-construction Permit. The Big Stone II project is proposed as a "brown field" project. That is, it is slated for construction at the site of an existing facility, which considerably reduces the construction cost of a new plant. This approach enables OTC to share existing infrastructure with the existing Big Stone Plant including the following:

- Cooling water intake structure, pumping system and delivery line
- Rail spur
- Coal unloading facilities
- Solid waste disposal facilities

OTC estimates the capital cost of the Big Stone II project at \$700,000,000.

Under SDCL 49-41B-6, the Commission is required to designate the affected area relative to this filing and also to designate a local review committee within thirty days after the filing of the notification of intent. According to SDCL 49-41B-2(8), the term "siting area" is defined as "that area within ten miles in any direction of a proposed energy conversion facility or which is determined by the commission to be affected by a proposed energy conversion facility." In ARSD 20:10:22:01(1), "affected area" is defined as "that area which may be affected environmentally, socially, aesthetically, or economically by the location of a facility at a proposed site."

Under SDCL 49-41B-6, the Commission shall also designate the local review committee which shall be composed of the following:

- (1) The chairman of the tribal council of each affected reservation;

- (2) The president of the board of education of each affected school district;
- (3) The chairman of the county commissioners of each affected county;
- (4) The mayor of each affected municipality; and
- (5) A representative of the applicant utility designated by the utilities.

At its November 27, 2001, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission has jurisdiction over this matter pursuant to SDCL 49-41B, specifically SDCL 49-41B-6 and ARSD 20:10:22:01 and 20:10:22:02. After its discussion, the Commission determined that the affected area shall consist of a 10 mile radius of the site of the proposed energy conversion facility. In accordance with SDCL 49-41B-6, the Commission designated the local review committee which was comprised of the following individuals: Mr. Clayton Tucholke, Chair, Grant County Board of Commissioners; Mr. Glen Hull, Chair, Roberts County Board of Commissioners; Mr. Dale Aeosph, Mayor, City of Milbank; Mr. Jim McFarlane, Mayor, City of Big Stone City; Mr. Craig Haugard, President, Milbank School District Board; Ms. Ann Grabow, President, Big Stone City School District Board; Mr. Mark Rolfes, Otter Tail Power Company; Ms. Kathy Haas, Mayor, Odessa City Council; Mr. Dave Dinnel, Mayor, Ortonville City Council; Ms. Jeanne Krueger, Chairman, Big Stone County Commissioners; Mr. Arvid Golinick, Chairman, Lac Qui Parle County Commissioners; Mr. Roger Barnhart, Chairman, Big Stone City School Board; Mr. Kenny Hendricks, Chairman, Clinton-Graceville-Beardsley School Board; Ms. Donna Moberg, Clinton-Graceville-Beardsley School Board; and Mr. Scott Maas, Chairman, Ortonville School Board.

On January 3, 2002, the Commission received a Motion to Reconsider Order of December 5, 2001, from OTC. At its January 24, 2002, meeting, the Commission considered the motion. The Commission has jurisdiction over this matter pursuant to SDCL 49-34A-42 through 49-34A-44, inclusive. After listening to arguments from the parties, the Commission unanimously voted to grant the Motion to Reconsider Order of December 5, 2001. The Commission then unanimously voted to designate a local review committee that falls within the ten mile radius of the proposed energy conversion facility that lies within the borders of South Dakota; to send notice of the proposed route and the procedure for intervening to the Minnesota entities listed in the December 5, 2001, order; and to extend an open invitation to the Minnesota entities to attend the public hearings in this matter. It is therefore

ORDERED, that the affected area for the purposes of this filing shall consist of a ten mile radius of the site of the proposed energy conversion facility that lies within the borders of South Dakota; and it is

FURTHER ORDERED, that the local review committee shall be comprised of the following individuals:

Mr. Clayton Tucholke, Chair, Grant County Board of Commissioners;
Mr. Glen Hull, Chair, Roberts County Board of Commissioners;
Mr. Dale Aeosph, Mayor, City of Milbank;
Mr. Jim McFarlane, Mayor, City of Big Stone City;
Mr. Craig Haugard, President, Milbank School District Board;
Ms. Ann Grabow, President, Big Stone City School District Board;
Mr. Mark Rolfes, Otter Tail Power Company. It is

FURTHER ORDERED, that notice of the proposed route and the procedure for intervening be sent to the Minnesota entities listed in the December 5, 2001, order; and to extend an open invitation to the above referenced Minnesota entities to attend the public hearings in this matter.

Dated at Pierre, South Dakota, this 31st day of January, 2002.

CERTIFICATE OF SERVICE

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: Alaine Kalbo

Date: 2/1/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner

