

Public Hearing

May 20, 2014











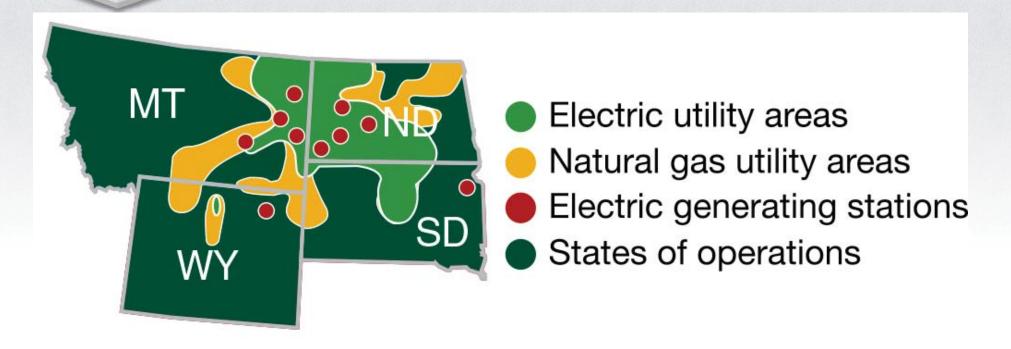


Today's presentation will cover:

- Applicant overviews
- Project development
- Project overview
- Routing process
- Route Change Requests
- Engineering design
- Project outreach
- Right-of-way
- Next steps



Montana-Dakota Utilities Co.



- Headquartered in Bismarck, North Dakota
- Electric and/or natural gas service to parts of Montana,
 North Dakota, South Dakota, and Wyoming
- Service area covers about 168,000 square miles
- Approximately 312,000 customers



Otter Tail Power Company

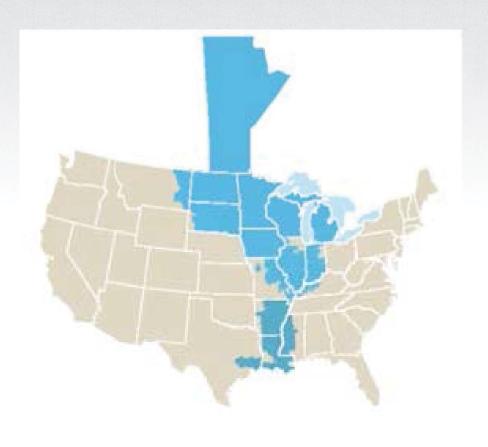


- Headquartered in Fergus Falls, Minnesota
- Electric service to parts of Minnesota, North Dakota, and South Dakota
- Service area covers about 70,000 square miles
- Approximately129,400 customers in422 communities



Project Development

MISO (Midcontinent) Independent System Operator) consists of 48 transmission owning utilities including Montana-Dakota Utilities Co. and Otter Tail Power Company.





Project Development

 MISO is an essential link in the safe, cost-effective delivery of electric power across all or parts of 15 U.S. states and the Canadian province of Manitoba. As a Regional Transmission Organization, MISO assures consumers of unbiased regional grid management and open access to the transmission facilities under MISO's functional supervision.



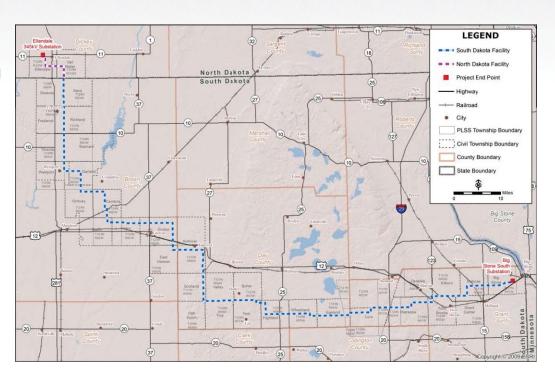
Project Development

- Multi-value project (MVP)
 - Regional reliability
 - Economic value
 - Support for renewable energy public policy objectives
 - On December 8, 2011 MISO approved a portfolio of 17 MVP projects which included the BSSE 345kV transmission line.



Project overview

- Joint project with Otter Tail Power Company and Montana-Dakota Utilities Co.
- New 345 kV transmission line
 - Ownership to be approximately 50% MDU and 50% OTP
- Approximately 160-170 miles
- Endpoints:
 - Big Stone South substation near Big Stone City, SD
 - OTP ownership
 - New Ellendale substation near Ellendale, ND
 - MDU ownership
- Anticipated project cost \$290-\$370 Million
- In service 2019





Local economic benefits

- Short term local economic benefits during construction
 - Construction expenditures (estimated range \$3 \$7 Million through construction period)
 - Other tax benefits: (estimated range \$5.5 \$9 Million)
 - Sales and use taxes
 - Contractor taxes
- Long term local benefits
 - Increased taxes paid to affected counties/townships
 - Estimated annual property taxes paid by Project:
 - \$715,000 \$885,000 in Brown County
 - \$535,000 \$755,000 in Day County
 - \$490,000 \$605,000 in Grant County



Owners' routing criteria

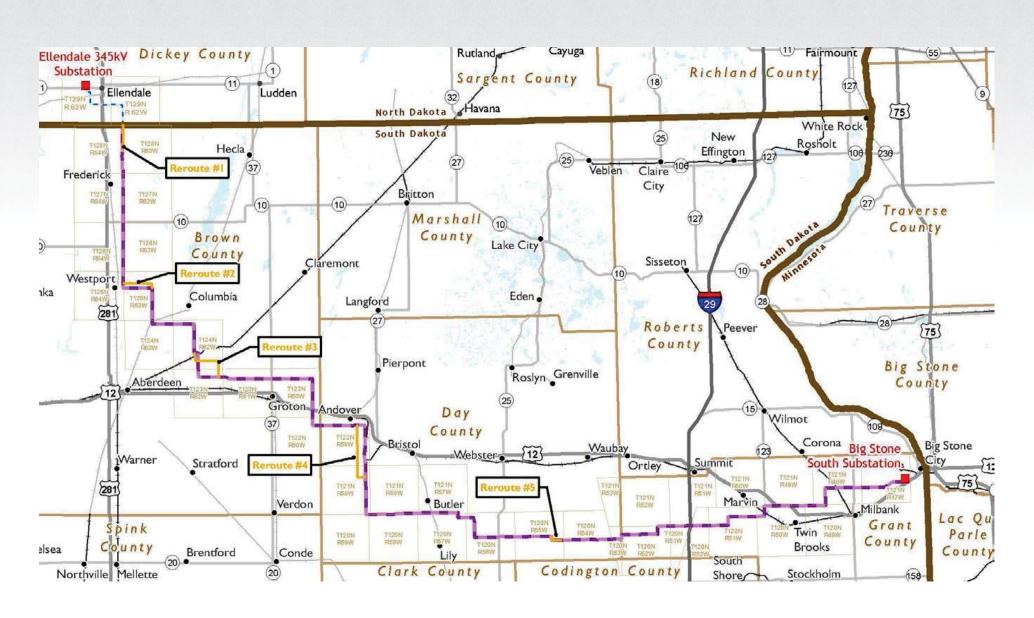
Information evaluated:

- Overall length and cost
- Existing high voltage transmission lines and transportation infrastructure
- Section lines
- Populated areas/residences
- Environmental and engineering considerations
- River crossing locations
- Public and agency feedback



- Total of 36 Route Change Requests (RCR) have been reviewed by the project team
- Of this total, 5 RCRs are under negotiation that required additional landowner notifications
- The 32 landowners impacted by these 5 RCRs are the reason this additional hearing is occurring

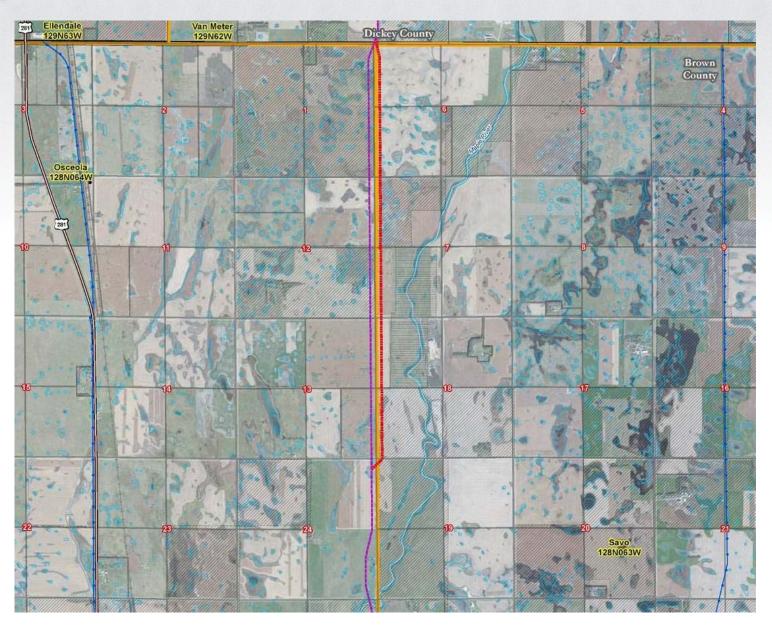




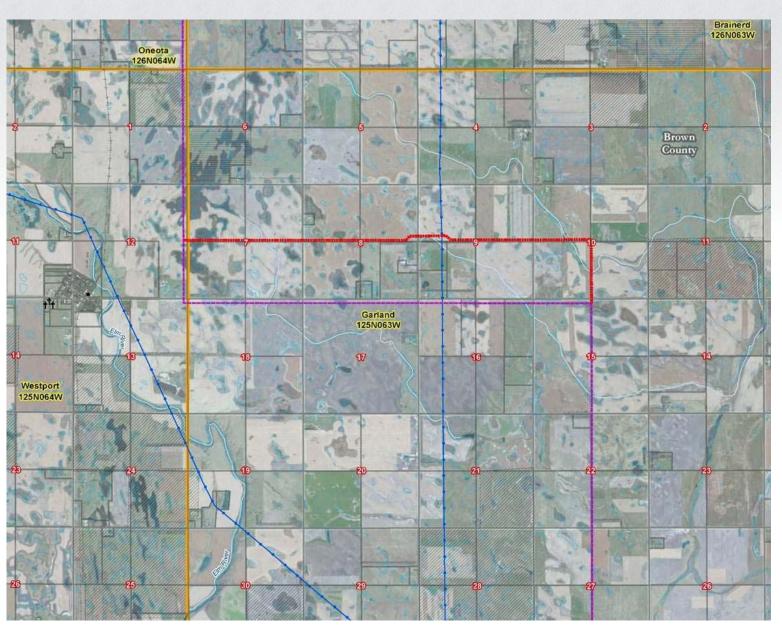


- Route Change Requests are reviewed by the project team using the same routing criteria as was used to select the original route.
- Of the 32 RCRs proposed, 14 have been approved, 5 were not approved and the rest are still under investigation.

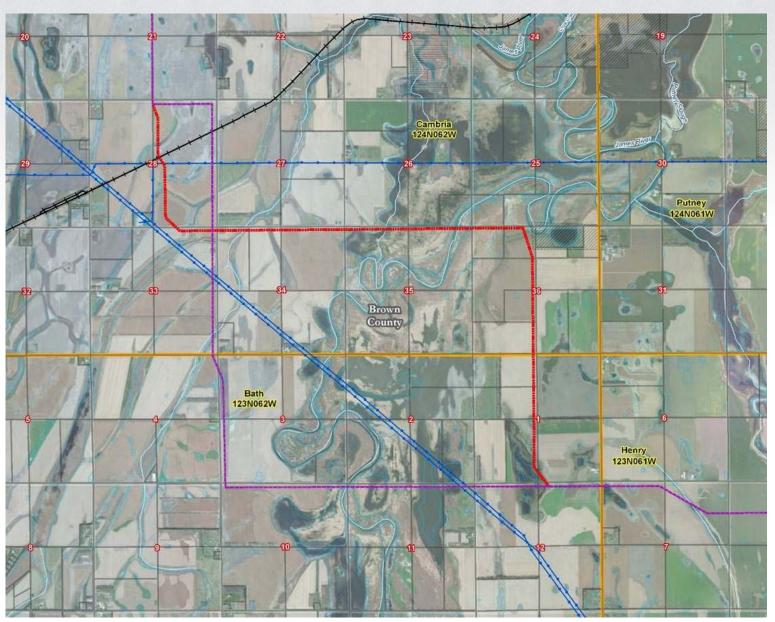




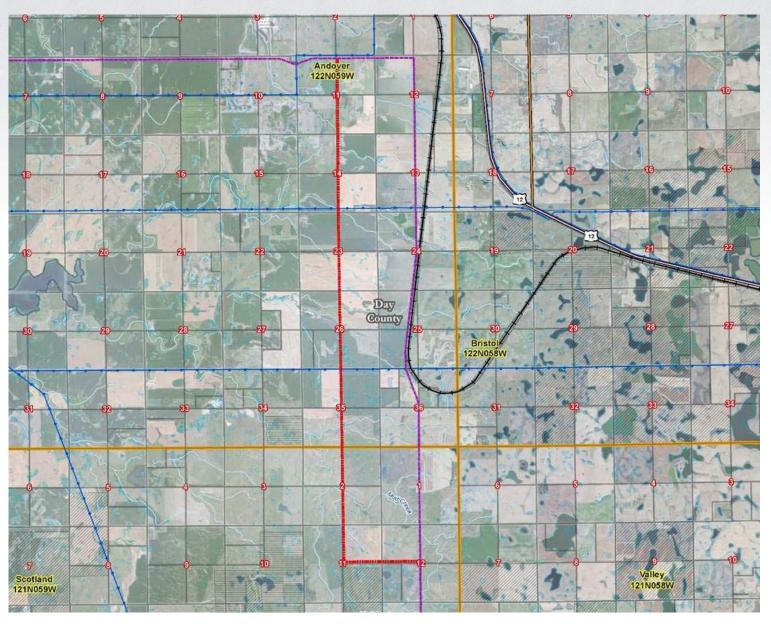


















Engineering design considerations



Average	
measurements	
Above-grade height	125 - 155 ft
Foundation diameter	6 - 11 ft
Span	700 - 1200 ft
Structures per mile	5 - 6
Minimum ground clearance	30 ft



Construction overview

- Survey structure locations and identify ingress and egress locations.
- Auger the holes where the structure poles will be set and pour foundation (if required).
- Assemble the structure on the ground adjacent to the holes/foundation.
- Lift structure and place in hole or on foundation.
- 5 String wires.
- Restore right-of-way and energize line.













Project outreach summary

- Letters or postcards mailed (September 2012, October 2012, February 2013, April 2013, May 2013, June 2013, August 2013)
- Open house meetings (October 2012 & February 2013)
- Newsletters mailed (November 2012, June 2013, October 2013, January 2014)
- County meetings (August 2012 & January 2013)
- Interagency meetings (August 2012 & January 2013)
- Tribal Agency meetings (October 2012, March 2013, May 2013, July 2013)
- SD PUC Public Input hearings (October 2013)



Easement progress as of May 20th

- Started contacting landowners on August 5, 2013
- 100% of the SD parcel owners have been contacted to date

 Nearly 60% of the SD project miles have options signed



Next steps

2008-2012 Planning 2012-2014
Environmental review and permitting

2012-2016 Engineering design and right-of-way 2016-2019 Construction

2019 In service

We are here

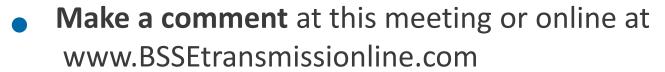


Thank you!



HOW TO STAY INFORMED and PROVIDE FEEDBACK:

- Visit our website at www.BSSEtransmissionline.com
- Call our toll-free information line: 1-888-283-4678
- Join our mailing list (online or at this meeting)
- Email us at: info@BSSEtransmissionline.com





BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

In the Matter of the Transmission Permit for the Big Stone South to Ellendale Project

EL13-028

CERTIFICATE OF SERVICE

I, Thomas J. Welk, do hereby certify that I am a member of the law firm of Boyce, Greenfield, Pashby & Welk, LLP, attorneys for Montana-Dakota Utilities Co. and Otter Tail Power Company and that on the 19th day of May 2014, a true and correct copy of **Public Hearing May 20, 2014 PowerPoint** was served via email to the following addresses listed:

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