BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

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In the Matter of Otter Tail Power Company on behalf of Big Stone II Co-owners for an Energy Conversion Facility Permit for the Construction Of the Big Stone II Project

AFFIDAVIT OF ELIZABETH I. GOODPASTER

DOCKET NO. EL05-022

STATE OF MINNESOTA)) ss. COUNTY OF RAMSEY)

Elizabeth I. Goodpaster, being first duly sworn, deposes and states:

1. On January 31, 2006, I caused to be served upon the Big Stone II Co-owners, in Minnesota Public Utilities Commission Docket No. CN-05-619, Intervenors' Information Requests Nos. 3-24. (See Appendix).

2. On March 9, 2006, I caused to be served, in South Dakota Public Utilities Commission Docket No. EL05-022, Intervenors' Fourth Request for Production of Documents, which requested the Big Stone II Co-owners' responses to the discovery identified in paragraph 1 above. (See Appendix).

3. On March 1, 2006, I caused to be served, in Minnesota Public Utilities Commission Docket No. CN-05-619, Intervenors' Information Requests Nos. 25-49 upon the Big Stone II Co-owners. (See Appendix).

4. On March 9, 2006, I caused to be served, in South Dakota Public Utilities Commission Docket No. EL05-022, Intervenors' Fourth Request for Production of Documents, which also requested the Big Stone II Co-owners' responses to the discovery identified in paragraph 3 above. (See Appendix).

5. The discovery requests that are at issue in Intervenors' Motion to Compel are Nos. 17 and 48, responses to which were sought in Intervenors' Fourth Request for Production of Documents. As a procedural matter, Big Stone II Co-owners and Intervenors have agreed on the sufficiency of responses to most discovery matters in this docket. Therefore, in the Appendix to my affidavit, I have provided copies of the discovery requests and responses that are subject to Intervenors' Motion to Compel, rather than provide the entire sets of discovery in which the disputed items have arisen (I have provided the first page, pages referencing the disputed requests/responses, and the signature page).

6. On February 6, 2006, I received Big Stone II Co-owner Responses to Information Requests Nos. 3-24. (See Appendix).

7. On or about March 22, 2006, I received Big Stone II Co-owner Responses to Information Requests Nos. 25-49. (See Appendix).

8. On April 13, 2006, I received Big Stone II Co-owner Responses to Intervenors' Fourth Request for Production of Documents, which response incorporates by reference the responses Information Requests 3 through 49. (See Appendix).

9. I have repeatedly, by telephone and in writing, contacted counsel for the Big Stone II Co-owners, Mr. Todd Guerrero and Mr. Peter Tester, regarding the non-responsive nature of the purported responses to Information Requests Nos. 17 and 48. Because the purported responses have been incorporated by reference by Big Stone II Co-owners in SDPUC Docket No. EL05-022, the response to Intervenors' Fourth Request for Production of Documents, is similarly non-responsive.

10. On April 18, 2006, I sent electronic mail correspondence to Mr. Tester, identifying data that we believed had not been provided in response to IR No. 17/Request for Production 4 by Otter Tail Power, including data files associated with five scenarios modeled in the its 2005 Resource Plan. (See Appendix).

11. On May 3, 2006, by electronic mail to Mr. Tester and Mr. Guerrero, I reiterated the lack of an OTP response that provides data files associated with five scenarios modeled in its 2005 Resource Plan, and repeated a previous issue I had raised regarding the Big Stone II Co-owners' failure to provide any response to the portion of IR No. 17 that sought documents used to develop the inputs used for the 2005 Resource Plans. (See Appendix).

12. On May 4, 2006, I received correspondence dated May 3, 2006, from Mr. Tester, stating that he had confirmed with Big Stone II Co-owners OTP and SMMPA, that all data responsive to Information Request No. 17 had been provided to Intervenors, and that he would confirm that the same was true for the other Co-owners. (See Appendix).

13. Also on May 4, 2006, by electronic mail, I contacted Mr. Tester and Mr. Guerrero, to attempt to further identify data that we believed that Great River Energy had not provided, but that was within the scope of IR No. 17. (See Appendix).

14. Also on May 4, 2006, I received a telephone call from Mr. Tester and Mr. Guerrero, in which they stated that OTP could not provide modeling files regarding the other five scenarios modeled in the OTP Resource Plan, due to an agreement with a vendor, Manitoba Hydro, that restricted release of that piece of data that is embedded in the modeling files we requested, and that it would be unduly burdensome for OTP to create a redacted version of the modeling files. Later that day, Mr. Tester and a representative of OTP provided me with the telephone number of a staff person at Manitoba Hydro, whom I was to ask permission for the requested data to be released by OTP to Intervenors.

15. On May 5, 2006, I spoke with Don Bjornson at the Manitoba Hydro law department, and provided him a copy of the nondisclosure agreement for this proceeding. I have

not yet heard back from Manitoba Hydro. My understanding is that an order from the Commission granting our motion to compel would also allow release of the data to Intervenors.

16. In March 30, 2006, correspondence addressing the non-responsiveness of Big Stone II Co-owners responses to Information Requests Nos. 25-49/Request for Production 4. I communicated, among other issues, the need for a response to IR No. 48. (See Appendix).

17. On May 4, 2006, I received supplementary responses to IR Nos. 25-49 from Big Stone II Co-owners, indicating that no further response to IR No. 48 would be provided. (See Appendix).

18. Because Big Stone II Co-owners have either failed or refused to respond to the discovery Intervenors have propounded, and as set forth in the Affidavit of David A. Schlissel, of Synapse Energy Economics, Intervenors are unable to complete the analysis required to submit our pre-filed testimony on May 19, 2006.

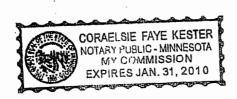
FURTHER YOUR AFFIANT SAYETH NOT.

Dated: Mar 82006

Elizabeth I. Goodpaster

Sworn to before me on the & Day of May, 2006.

Notary Public



STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Date of Request:

January 13, 2006

Requested By:

Elizabeth Goodpaster Minnesota Center for Environmental Advocacy (MCEA) 26 East Exchange Street, Suite 206 St. Paul, MN 55101-1667 <u>bgoodpaster@mncenter.org</u> 651-223-5969

Attorney for Izaak Walton League of America – Midwest Office (IWLA), Minnesotans for an Energy-Efficient Economy (ME3), Union of Concerned Scientists (UCS), Wind on the Wires (WOW) and Minnesota Center for Environmental Advocacy (MCEA)

Request Due:

a)

January 23, 2006

In the Matter of the Application for a Certificate of Need for Transmission Lines In Western Minnesota Docket No. ET-6131, ET-2, ET-6130, E-252, ET-10, ET-6444, E-017, ET9/CN-05-619

INFORMATION REQUEST NOS. 3-24 OF ME3, IWLA, UCS, WOW, and MCEA TO BIG STONE II CO-OWNERS

** Please note that many of these information requests refer to Big Stone Co-owners' responses to the First Amended Set of Interrogatories and Requests for Production of Documents that ME3, IWLA, UCS and MCEA served in South Dakota PUC Docket EL05-022. Big Stone Co-owners incorporated by reference their responses to that discovery in this docket through their response to Information Request No. 2 of ME3, IWLA, UCS, WOW, and MCEA.

3. Please provide copies of your responses to the Third Sets of Interrogatories and Requests for Production of Documents served upon Big Stone II Co-owners in South Dakota Public Utilities Commission Docket No. EL05-022, by ME3, IWLA, UCS and MCEA. For your reference, the Third Sets of Interrogatories and Requests for Production of Documents are attached hereto.

4. Refer to Heartland Consumer Power District's (HCPD) response to ME3/IWLA/UCS/MCEA Amended First Set of Interrogatories, South Dakota PUC Docket EL05-022, Interrogatory No. 24.

Explain in detail what HCPD means by the statement "for Heartland's evaluation, not all resources were measured 'against' Big Stone II."

Page 23 states, "The capacity costs associated with the Big Stone coal-fired resource are projected to be significantly higher than the projected market price of capacity during the period 2008 to 2015. This indicates that it would not be likely that UP could sell surplus Big Stone capacity to the market and recoup the associated carrying costs."

a) Does CMMPA agree with this statement? If so, explain why CMMPA has chosen to acquire a portion of Big Stone II.

b) If the answer to a) is no, provide the study or evidence that establishes the basis for the selection of Big Stone II as the most cost-effective means of meeting the energy needs of CMMPA's members.

Provide a copy of all DSM potential or market studies prepared by or on behalf of CMMPA or any of its members acquiring capacity in Big Stone II since January 1, 2001.

14. Refer to CMMPA's Response to ME3/IWLA/UCS/MCEA Amended First Set of Interrogatories, South Dakota PUC Docket EL05-022, Interrogatory No. 14, as corrected by email correspondence on December 28, 2005. Please identify what specific portions of Exhibit 7-6, *Generation Resource Planning Study* provide evidence of CMMPA's need for baseload capacity.

 Refer to Exhibit 7-6, Generation Resource Planning Study completed in April 2002, attached to ME3/IWLA/UCS/MCEA Amended First Set of Interrogatories, South Dakota PUC Docket EL05-022, Interrogatory No. 7.

a) Does CMMPA believe that this study is CMMPA's best estimate of its need for long-term capacity and energy? If not, explain why not and provide CMMPA's best estimate of long-term capacity and energy needs.

b)

If the answer to a) is yes, please explain how the forecasted deficit of capacity in the *Generation Resource Planning Study* on page 9 for *both* Heartland Consumer Power District (HCPD) and CMMPA can be reconciled with the 2005 MAPP Load & Capability Forecast which forecasts capacity surpluses for CMMPA of as much as 138% above and beyond demand and reserve requirements in each year through 2014.

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Provide the study or specific evidence that establishes the need for Big Stone II capacity being acquired for the City of Hutchinson by MRES.

17. In electronic text or Excel format, provide the input and output files and the documents used to develop the inputs associated with the model runs made in the preparation of the most recent integrated resource plans for:

) Otter Tail Power, MPUC Docket No. RP05-968

- b) Montana-Dakota Utilities 2005 Integrated Resource Plan submitted to the North Dakota Public Utilities Commission
- c) Great River Energy, MPUC Docket No. RP05-1100
- d) Missouri River Energy Services, MPUC Docket No. RP05-1102
- e) Southern Minnesota Municipal Power Agency, MPUC Docket No. ET9/RP-03-966

18. What other utilities, if any, use the IRP-Manager model in addition to OTP?

19. Identify the developer of the IRP-Manager model, used by Otter Tail Power Company ("OTP"). If IRP-Manager was developed by OTP or an agent of OTP, provide a copy of the design document for the model.

20. If not included in the response to Information Request No. 17 above, for every year through 2020, provide the winter and summer capacity ratings for each of the resources in Otter Tail Power Company's (OTP) Preferred Resource Plan, set forth in the OTP 2006-2020 Resource Plan, MPUC Docket No. RP05-968.

21. If not included in the response to Information Request No. 17 above, provide the market price forecast used in the IRP-Manager model runs for developing the Otter Tail Power Company's (OTP) 2006-2020 Resource Plan, MPUC Docket No. RP05-968.

22. For each Co-owner, provide the winter and summer peak demands and load capabilities that underlie the surplus/deficit forecasts presented in Figures 14, 16, 18, 20, 22, 24, and 26 of the Certificate of Need Application in this docket.

[Note: These are the same surplus/deficit forecasts presented for the Big Stone II Co-owners in the Exhibits to Section 3 of the Co-owners' South Dakota Application, SD PUC Docket No. EL05-022.]

23. Refer to the response to ME3/IWLA/UCS/MCEA Amended First Set of Interrogatories, South Dakota PUC Docket EL05-022, Interrogatory 2.

Provide a copy of the HCPD documents identified: 2006-2019 Financial Plan, 2006 – 2008 Budget Variance, 2006 Budget Load Forecast and Power Supply Cost, and 2005 Power Supply Analysis dated May 2005 by Burns & McDonnell.

24. Refer to the response to ME3/IWLA/UCS/MCEA Amended First Set of Interrogatories, South Dakota PUC Docket EL05-022, Interrogatory 2.

Provide a copy of the *R W* Beck Planning Study.

STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

Date of Request:

March 1, 2006

Requested By:

Elizabeth Goodpaster Minnesota Center for Environmental Advocacy (MCEA) 26 East Exchange Street, Suite 206 St. Paul, MN 55101-1667 <u>bgoodpaster@mncenter.org</u> 651-223-5969

Attorney for Izaak Walton League of America – Midwest Office (IWLA), Minnesotans for an Energy-Efficient Economy (ME3), Union of Concerned Scientists (UCS), Wind on the Wires (WOW) and Minnesota Center for Environmental Advocacy (MCEA)

Request Due:

March 13, 2006

In the Matter of the Application for a Certificate of Need for Transmission Lines In Western Minnesota MPUC Docket No. ET-6131, ET-2, ET-6130, E-252, ET-10, ET-6444, E-017, ET9/CN-05-619

OAH Docket Nos. 12-2500-17037-2 and 12-2500-17038-2

INFORMATION REQUEST NOS. 25-49 OF ME3, IWLA, UCS, WOW, and MCEA TO BIG STONE II CO-OWNERS [PUBLIC VERSION]

** Please note that some of these information requests refer to Big Stone Co-owners' responses to the sets of Interrogatories and Requests for Production of Documents that ME3, IWLA, UCS and MCEA served in South Dakota PUC Docket EL05-022. Big Stone Co-owners incorporated by reference their responses to that discovery in this docket through their response to Information Request No. 2 and No. 3 of ME3, IWLA, UCS, WOW, and MCEA.

25. For information requests 25 thru 29, refer to your response in South Dakota PUC docket EL05-022 (JCO 0001728 – JCO 001732) to Mary Jo Stueve's Request for Production of Documents No. 12, a copy of which response is attached for reference.

Provide the source documents and calculations that underlie documents JCO 0001728 – JCO 001732.

PUBLIC VERSION

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- 41. Provide a copy of the design document and the manual for the model used in developing SMMPA's 2003 Integrated Resource Plan.
- 42. Provide a copy of the design document and the manual for the model used in developing MRES's 2005 Resource Plan, MPUC Docket No. RP05-968.

43. Refer to the response to our Third Set of Interrogatories and Requests for Production of Documents in SD PUC EL05-022, Interrogatory No. 12. Provide the specific contract terms and price in Manitoba Hydro's proposal to provide 50 MW to OTP.

44. Quantify the expected average rate impact to residential customers from the BSII project (both in terms of percentage increase and absolute increase over the current tariff) for each of the seven Co-owners. For any Co-owner that does provide retail electric service, provide the expected average rate impact (both in terms of percentage increase and absolute increase over the current tariff) to residential customers of the retail provider for which the power from Big Stone II is projected to serve.

45. Refer to the response to our Third Set of Interrogatories and Requests for Production of Documents in SD PUC EL05-022, Interrogatory No. 18. In its 2005 IRP, MDU states that it "used an avoided cost of \$74.46/kW-yr to determine the cost-effectiveness of" its DSM programs. Explain why use of a combustion turbine as the relevant unit for screening DSM programs is appropriate, and why Big Stone II was not used as the avoided unit. Provide the detailed inputs and calculations from which MDU arrived at an avoided cost of \$74.46/kW-yr.

Refer to the response to our Third Set of Interrogatories and Requests for Production of Documents in SD PUC EL05-022, Interrogatory No. 19. At what stage of developing its IRP, and how, did OTP and MDU screen DSM programs using the Ratepayer Impact Test? Provide, in electronic spreadsheet form, the calculations showing these screenings.

47. Refer to the response in South Dakota PUC Docket EL05-022 to SD PUC Staff Request No. 9, a copy of which response is attached for reference.

The response states "With the notice from Marshall, the Heartland Board of Directors has set growth goals to replace the Marshall load before the Marshall contract terminates. Since the Board set this goal, Heartland has been adding new customers and load at a rate that is exceeding the goal."

What are the growth goals established by the Board of Directors? What steps has Heartland taken to achieve? Provide detailed documentation of your answers.

48. Please provide the responses to GRE's recent RFP for 120 MW of power.

49. Please identify any instances since January 1, 2003 in which any of the Big Stone II Coowners solicited proposals for capacity but were unable to obtain any parties willing to sell capacity to them.

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PUBLIC VERSION

Dated: Alaoch / 2000

Elizabeth I Goodpaster

Minnesota Center for Environmental Advocacy 26 E. Exchange Street, Suite 206 St. Paul, MN 55101 (651) 223-5969 (651) 223-5967 (fax) bgoodpaster@mncenter.org

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

In the Matter of Otter Tail Power Company on behalf of Big Stone II Co-owners for an Energy Conversion Facility Permit for the Construction Of the Big Stone II Project

DOCKET NO. EL05-022

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FOURTH SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS, ON BEHALF OF MINNESOTANS FOR AN ENERGY-EFFICIENT ECONOMY, IZAAK WALTON LEAGUE OF AMERICA – MIDWEST OFFICE, UNION OF CONCERNED SCIENTISTS, AND MINNESOTA CENTER FOR ENVIRONMENTAL ADVOCACY, TO BIG STONE II CO-OWNERS

Pursuant to South Dakota Codified Laws 15-6-33, Minnesotans for an Energy-Efficient Economy, Izaak Walton League of America – Midwest Office, Union of Concerned Scientists, and Minnesota Center for Environmental Advocacy request answers to the following Requests within thirty (30) days of service. For all Requests for Production of Documents for which a claim of privilege is stated, please specifically identify the privilege claimed and generally describe the basis for such privilege relative to the subject of the request.

For purposes of these Requests for Production of Documents, the following definitions shall apply.

1. "Application" shall mean the Energy Conversion Facility Permit for Construction of the Big Stone II Project filed with the South Dakota Public Utilities Commission on July 21, 2005 by Otter Tail Corporation d/b/a Otter Tail Power Company on Behalf of Big Stone II Co-owners.

2. "Co-owner" shall mean Central Minnesota Municipal Power Agency; Great River Energy; Heartland Consumers Power District; Missouri River Energy Services, Montana Dakota Utilities Co., a Division of MDU Resources Group, Inc.; Otter Tail Corporation d/b/a Otter Tail Power Company; Southern Minnesota Municipal Power Agency; or Western Minnesota Municipal Power Agency.

3. "Document" shall mean all written, recorded or graphic matters whatsoever.

4. "Identify" or "identification," when used in reference to a person, means to state the person's full name, and present or last known address, and relationship to the Co-owner, if any. When used in reference to a document, "identify" means to state the document's date, subject matter, author, and each addressee or copyee. If the custodian

of the identified document is someone other than the Co-owner, then "identify" shall include the name and address of the custodian.

5. "Intervenors" and "Our" shall mean Minnesotans for an Energy-Efficient Economy, Izaak Walton League of America – Midwest Office, Union of Concerned Scientists, and Minnesota Center for Environmental Advocacy, or their agents.

6. "You" or "Your" shall mean the Co-owners, or agents of the Co-owners.

REQUESTS FOR PRODUCTION OF DOCUMENTS

If any document is withheld upon a claim of privilege, please specifically identify the privilege claimed and provide a privilege log of documents withheld with your response.

Please provide the Big Stone II Co-Owners' Responses to Information Request Nos. 3-49 of Minnesotans for an Energy-Efficient Economy, Izaak Walton League – Midwest Office, Wind on the Wires, and Minnesota Center for Environmental Advocacy which were served upon you in Minnesota PUC Docket No. ET-6131, ET-2, ET-6130, E-252, ET-10, ET-6444, E-017, ET9/CN-05-619 and OAH Docket Nos. 12-2500-17037-2 and 12-2500-17038-2, copies of which are attached and made a part hereof.

Dated: March 9, 2006

John H. Davidson 213 USD Law Building 414 East Clark Street Vermillion, SD 57069 (605) 677-6341 (605) 677-5417 (fax) <u>idavidso@usd.edu</u>

Elizabeth I. Goodpaster

Minnesota Center for Environmental Advocacy 26 E. Exchange Street, Suite 206 (651) 223-5969 (651) 223-5967 (fax) bgoodpaster@mncenter.org

ATTORNEYS FOR MINNESOTANS FOR AN ENERGY-EFFICIENT ECONOMY, IZAAK WALTON LEAGUE OF AMERICA – MIDWEST OFFICE, UNION OF CONDERNED SCIENTISTS, AND MINNESOTA CENTER FOR ENVIRONMENTAL ADVOCACY

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OAH Docket No. 12-2500-17037 MPUC Docket No. ET-6131, ET-2, ET-6130, ET-10, ET-6444, E-017, ET-9/CN-05-619

STATE OF MINNESOTA

OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of Otter Tail Power Company and Others for Certification of Transmission Lines in Western Minnesota APPLICANTS' RESPONSES TO INFORMATION REQUESTS NOS. 3-24 OF MINNESOTANS FOR AN ENERGY-EFFICIENT ECONOMY, ET AL.

TO: Minnesotans for an Energy-Efficient Economy, Izaak Walton League of America, Union of Concerned Scientists, Wind on the Wires, and Minnesota Center for Environmental Advocacy, by and through their attorneys, Elizabeth Goodpaster, Minnesota Center for Environmental Advocacy, 26 East Exchange Street, Suite 206, St. Paul, Minnesota 55101-1667.

The Big Stone II Co-owners (hereinafter referred to as "Applicants"), by and through their attorneys of record, respond to Minnesotans for an Energy-Efficient Economy, Izaak Walton League of America, Union of Concerned Scientists, Wind on the Wires, and Minnesota Center for Environmental Advocacy's joint Information Requests Nos. 3-24.

GENERAL OBJECTIONS

1. Applicants object to each information request to the extent that it seeks information that is subject to the attorney-client privilege, work product privilege or other privilege on the ground that privileged matter is exempt from discovery.

2. Applicants object to any and all instructions or definitions beyond the requirements imposed or permitted by the Minnesota Rules of Civil Procedure or Minnesota Rules Parts 1400 and 1405.

Unit II and therefore the MAPP Load and Capability Forecast does not accurately reflect the needs of individual members. CMMPA's intent is to help members meet their capacity and energy requirements with the most economical portfolio of resources and not only to supply capacity requirements. While diesel capacity is beneficial to help CMMPA members meet their capacity and reserve requirements, these resources do not provide economic base load or intermediate load energy.

INFORMATION REQUEST NO. 16: Provide the study or specific evidence that establishes the need for Big Stone II capacity being acquired for the City of Hutchinson by MRES.

<u>RESPONSE NO. 16</u>: Applicants object to this information request on the grounds that it

seeks information beyond the reasonable scope of discovery authorized by Rule 26 of the Rules

of Civil Procedure and Minnesota Rule Part 1400.6700, subpart 2.

INFORMATION REQUEST NO. 17: In electronic text or EXCEL format, provide the input and output files and the documents used to develop the inputs associated with the model runs made in the preparation of the most recent integrated resource plans for:

- (a) Otter Tail Power, MPUC Docket No. RP05-968
- (b) Montana-Dakota Utilities 2005 Integrated Resource Plan submitted to the North Dakota Public Utilities Commission
- (c) Great River Energy, MPUC Docket No. RP05-1100
- (d) Missouri River Energy Services, MPUC Docket No. RP05-1102
- (e) Southern Minnesota Municipal Power Agency, MPUC Docket No. ET9/RP-03-966

RESPONSE NO. 17:

(a) Otter Tail Power: The input files to the IRP-Manager software used by Otter Tail Power in the development of the Company's latest integrated resource plan are found on the attached CD-ROM disk in the folder labeled "OTP Response IR17-Confidential."

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Input data is contained within the IRP-Manager model database in binary form. It is not extractable from the model in electronic form. After working with the model developer, a limited amount of data was able to be extracted by converting input files to text files. The enclosed CD-ROM disk contains the converted files as well as a file index that identifies the contents of each file.

While the written response to this request is not considered proprietary, the data in the folder provided includes information that is considered proprietary in nature. It is impossible to specifically identify each proprietary component within all of the input files, so Otter Tail has chosen to label the entire folder as proprietary.

All IRP-Manager output files are in text format. They can be read into WORD in text format, and can usually be made presentable by switching the font to 10 pt. Arial. The available output files are included in the folder. A number of the detailed hourly output files are turned off in the model because the output files would be hundreds of megabytes in size and are not necessary for evaluation.

The following output files for Otter Tail Power Company's preferred case are included:

BALSHEET.O - Annual Balance Sheet DEBT.O - Detailed Debt Report DEFDEB.O - Detailed Deferred Debit Report DYEAR.O - Annual Summary of Demand Output EMYEAR.O - Annual Emissions Report EXASST.O - Detailed Existing Asset Report FINANIND.O - Financial Indicators Report FUNDFLOW.O - Detailed Funds Flow Report FUTASST.O - Detailed Future Asset Report FYEAR.O - Annual Fuel Usage Report ICEMDETL.O - ICEM Detailed Output Plan ICEMFINL.O - ICEM Final Resource Plan INCSTMNT.O - Income Statement PROFLOSS.O - Profit/Loss on Market Sales Report TAXRPT.O - Detailed Tax Report

Additional data that is designated TRADE SECRET INFORMATION – NOT FOR PUBLIC DISCLOSURE is contained in the folder.

(b) Montana-Dakota: Montana-Dakota's 2005 IRP is found on the CD-ROM disk (MDU 00001641) that was produced in response to the Minnesota Department of Commerce's Information Request No. 11.

(c) Great River Energy: Discovery is ongoing with respect to Great River Energy, and the Applicants will supplement their Response to No. 17(c) shortly.

(d) Missouri River Energy Services: <u>See</u> folder labeled "MRES Response to IR 17" on attached CD-ROM disk.

(e) Southern Minnesota Municipal Power Agency: See folder labeled "SMMPA Response to IR 17" on attached CD-ROM disk, which includes 16 EGEAS case files in electronic format, labeled BASE.OUT; CASE1.OUT; CASE2.OUT; CASE3.OUT; CASE4.OUT; CASE5.OUT; CASE6.OUT; CASE7.OUT; CASE8.OUT; CASE9.OUT; CASE10.OUT; CASE11.OUT; CASE12.OUT; CASE13.OUT; CASE14.OUT; CASE15.OUT. SMMPA previously provide electronic files of inputs and outputs of its load forecast and DSM screening as a part of replies to the Minnesota Department of Commerce's Information Requests in this docket.

INFORMATION REQUEST NO. 18: What other utilities, if any, use the IRP-Manager model in addition to OTP?

RESPONSE NO. 18: None.

Otter Tail Power has used the software in various forms and updates since its first resource plan filing in 1992. The vendor that supplied the software has been purchased by Itron, and the resource planning software line has been dropped. For the past couple of years, Otter Tail has continued maintenance on the model by periodically hiring the individuals who

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RESPONSE NO. 24: A copy of this document is found in the folder labeled "SMMPA

Response to No. 24" on the attached CD-ROM disk.

Respectfully submitted,

LINDQUIST & VENNUM P.L.L.P.

By:

Todd J. Guerrero, Reg. No. 0238478 Peter L. Tester, Reg. No. 222525 4200 IDS Center 80 South Eighth Street Minneapolis, Minnesota 55402 Telephone: (612) 371-3211 Facsimile: (612) 371-3207 OAH No. 12-2500-17037-2, MPUC Dkt No. CN-05-619 and OAH No. 12-2500-17038-2, MPUC Dkt No. TR-05-1275

STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Otter Tail Power Company and Others for Certification of Transmission Facilities in Western Minnesota.

APPLICANTS' RESPONSE TO INFORMATION REQUESTS NOS. 25-26 AND 28-49 OF MINNESOTANS FOR AN ENERGY EFFICIENT ENVIRONMENT, ET AL.

and

In the Matter of the Application to the Minnesota Public Utilities Commission for a Route Permit for the Big Stone Transmission Project in Western Minnesota.

(PUBLIC DOCUMENT – TRADE SECRET DATA REMOVED)

The Applicants hereby respond to Information Requests Nos. 25-26 and 28-49 (there is no Information Request No. 27) of intervenors Minnesotans for an Energy-Efficient Economy, Izaak Walton League of America-Midwest Office, Union of Concerned Scientists, Wind on the Wires, and Minnesota Center for Environmental Advocacy (collectively "Intervenors"), as follows:

GENERAL OBJECTIONS

1. The Applicants object to each one of the information requests to the extent that they seek information beyond the requirements imposed by the Office of Administrative Hearings, the Minnesota Rules of Civil Procedure, and the Minnesota General Rules of Practice for District Courts.

2. Applicants object to the information requests to the extent they seek information and materials that are subject to the attorney-client privilege, work product privilege or other privilege on the ground that privileged matter is exempt from discovery.

I.D. NO. 47: Refer to the response in South Dakota PUC Docket EL05-022 to SD PUC Staff Request No. 9, a copy of which response is attached for reference.

The response states "With the notice from Marshall, the Heartland Board of Directors has set growth goals to replace the Marshall load before the Marshall contract terminates. Since the Board set this goal, Heartland has been adding new customers and load at a rate that is exceeding the goal."

What are the growth goals established by the Board of Directors? What steps has Heartland taken to achieve? Provide detailed documentation of your answers.

<u>RESPONSE NO. 47</u>: Applicants object to this request on the ground that it seeks information that is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving the föregoing objections, Applicants provide the following response:

In early 2005, the Heartland Board of Directors adopted several goals and business objectives. One of the objectives was to grow Heartland's customer base to replace the 60 MW Marshall load by 2016. By January 1, 2006, Heartland had added six new customers with a total peak demand of approximately 21.6 MW. The new customers include four municipal systems in South Dakota (Miller, Langford, Bryant and Sioux Falls) and two new municipals in Minnesota (Madelia and Truman). Heartland is aggressively marketing itself to municipal electric systems and agencies that are in need of supplemental or full-requirements power supply.

I.R. NO. 48: Please provide the responses to GRE's recent RFP for 120 MW of power.

<u>RESPONSE NO. 48</u>: Applicants object to this request on the ground that it seeks information that is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence.

I.R. NO. 49: Please identify any instances since January 1, 2003 in which any of the Big Stone II Co-owners solicited proposals for capacity but were unable to obtain any parties willing to sell capacity to them.

<u>RESPONSE NO. 49</u>: Applicants object to this request on the ground that it seeks information that is irrelevant, immaterial, and not reasonably calculated to lead to the discovery

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Doc#2124557\1

DATED: March 22, 2006

LINDQUIST & VENNUM P.L.L.P.

BY:

Todd J. Guerrero (0238478) Peter L. Tester (222525) 4200 IDS Center 80 South 8th Street Minneapolis, MN 55402 (612) 371-3211 (612) 371-3207 (facsimile)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

Docket No. EL 05-022

In the Matter of Otter Tail Power Company on Behalf of Big Stone II Co-Owners for an Energy Conversion Facility Permit for the Construction of the Big Stone II Project

BIG STONE II CO-OWNERS' OBJECTIONS AND RESPONSES TO PROPOUNDING INTERVENORS' FOURTH REQUEST FOR DOCUMENTS

The Big Stone II Co-owners (hereinafter referred to as "Applicants"), by and through their attorneys of record, make the following objections and responses to the Fourth Set of Requests for Production of Documents propounded by Minnesotans For An Energy-Efficient Economy, Izaak Walton League of America – Midwest Office, Union of Concerned Scientists, and Minnesota Center for Environmental Advocacy ("Propounding Intervenors") dated March 9, 2006.

In order to avoid unduly lengthy objections and responses and in order to avoid repetition of objections, objections that appear frequently in the responses or that have general applicability to all the responses are set forth below. The "Objections of General Application" apply to the Request for Documents. Any documents produced are subject to and provided notwithstanding any objections. The "Objections Raised by Reference" describe the objections that are specifically set forth as to the Request.

Objections of General Application

A. Applicants object to the Request for Documents to the extent that the same purports to seek responses from Applicants' counsel of record, who are not parties to this matter; seeks attorney-work product; or seeks information which is privileged and therefore not subject to discovery. B. Applicants object to any and all instructions or definitions beyond the requirements imposed by the South Dakota Rules of Civil Procedure.

C. Applicants object to the request to the extent it is unreasonably cumulative or duplicative, or the information sought by the request is obtainable from some another source that is more convenient, less burdensome, or less expensive.

D. - Applicants do not waive any of their general or particular objections in the event documents coming within the scope of any such objections are furnished.

E Applicants object to the request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence because the request seeks responses to information requests propounded in proceedings in Minnesota regarding an application for a certificate of need and a route permit for transmission facilities to be located in Minnesota. The issues in the Minnesota proceedings are distinct from the issues in the docket currently pending before the South Dakota PUC for an energy conversion facility siting permit.

Objections Raised by Reference

Counsel for applicants have posed objections to the Information Requests referred to in Propounding Intervenors' request for production which are adopted herein by reference.

REQUEST FOR PRODUCTION

RESPONSE: Applicant has previously served responses to Information Request Nos. 3-49 upon Propounding Intervenors, which responses are also available on the project extranet site. Applicant has served public and non-public versions of the responses on Propounding Intervenors. Any portions of Applicant's Responses denoting "trade secret data" or "trade secret material" shall be deemed as appropriately designated as "Attorney's Eyes Only" pursuant to the Amended Confidentiality Agreement in this matter.

2226

LINDQUIST & VENNUM P.L.L.P.

4200 IDS CENTER 80 SOUTH EIGHTH STREET MINNEAPOLIS, MN 55402-2274 TELEPHONE: 612-371-3211 FAX: 612-371-3207

ATTORNEYS AT LAW

PETER TESTER (612) 371-3222 ptester@lindquist.com IN DENVER: 600 17TH STREET, SUITE 1800 SOUTH DENVER, CO 80202-5441 TELEPHONE: 303-573-5900 FAX: 303-573-1956

www.lindquist.com

May 3, 2006

BY MESSENGER

Elizabeth Goodpaster, Esq. Minnesota Center for Environmental Advocacy 26 East Exchange Street Suite 206 St. Paul, MN 55101-1667

Re: In the Matter of the Application for a Certificate of Need for Transmission Lines in Western Minnesota Minnesota PUC Docket No.: E017/CN-05-619

Dear Beth:

Enclosed is another copy of GRE's response to I.R. No. 17 with an accompanying index for your convenience. The information on the enclosed disk is identical to what we sent you and Synapse by letter dated February 13, 2006; I am not sure why you were not able to open up the output files that were on the disk, since we could. Nonetheless, here is the data again.

With respect to your request for supplemental responses to I.R. No. 17 regarding "the documents used to develop the inputs associated with the model runs made in the preparation of the most recent integrated resources plans," Otter Tail and SMMPA have confirmed that they have provided all of the responsive information to I.R. No. 17. No further data exists. If you believe additional information exists notwithstanding, please identify it with specificity and we will conduct further investigation.

We are seeking confirmation from the other Applicants that they too have provided all of the information responsive to I.R. #17, and we will let you know those responses as they are communicated to us. In the meantime, it would be helpful if you identified with specificity what information you believe exists with respect to I.R. No. 17 but has not been produced by the Applicants.

I would point out that the Applicants have provided the intervenors with an extraordinary and unprecedented amount of information regarding the Applicants' IRPs, forecasts and related information, numbering into the tens of thousands of pages. The Applicants have even provided the intervenors with the manuals for the IRPs. Based on these submissions, the intervenors

Doc# 2139858\1

LINDQUIST & VENNUM P.L.L.P.

Elizabeth Goodpaster, Esq. May 3, 2006 Page 2

should be able to conduct their own calculations and evaluations regarding the Applicants' IRPs and proposed projects, including Big Stone Unit II.

Please feel free to contact me if you have any questions.

Very truly yours,

LINDQUIST & VENNUM P.L.L.P.

Peter L. Tester

PT/caf Enclosures

cc: Todd Guerrero, Esq. Synapse Energy Economics

2228

Doc# 2139858\1

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www.lindquist.com

May 3, 2006

BY FEDERAL EXPRESS

Elizabeth Goodpaster, Esq. Minnesota Center for Environmental Advocacy 26 East Exchange Street Suite 206 St. Paul, MN 55101-1667

Re: In the Matter of the Application for a Certificate of Need for Transmission Lines in Western Minnesota Minnesota PUC Docket No.: E017/CN-05-619

Dear Beth:

Enclosed and served upon you is the Applicants' Supplemental Response to Information Requests Nos. 25-49, based on your letter of March 30, 2006. The Applicants do not have any further response to I.R. Nos. 36 and 48.

Please feel free to contact me if you have any questions.

Very truly yours,

LINDQUIST & VENNUM P.L.L.P.

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Peter L. Tester

PT/caf Enclosures

cc: Todd Guerrero, Esq. Synapse Energy Economics

Doc# 2140066\1

From: Goodpaster, Beth

Sent: Friday, April 07, 2006 12:19 PM

To: Peter L. Tester

Subject: FW: Intervenors' RFP 4 in EL05-022; and Intervenors' IR No. 17 in CN-05-619

Since I was not confident on the phone yesterday that I was recalling all the issues correctly, I am just re-sending to you my email that identified the "other discovery issues" besides the ones that your planned correspondence is to address. Would appreciate your response on these questions as soon as possible. Thank you,

Beth Goodpaster Energy Program Director Minnesota Center for Environmental Advocacy 26 E. Exchange St., Suite 206 St. Paul, MN 55101 (651) 223-5969 phone (651) 223-5967 fax bgoodpaster@mncenter.org www.mncenter.org

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From: Goodpaster, Beth
Sent: Friday, March 24, 2006 3:10 PM
To: 'Peter L. Tester'
Cc: tguerrero@lindquist.com
Subject: Intervenors' RFP 4 in EL05-022; and Intervenors' IR No. 17 in CN-05-619

Peter,

Wondering if there is further word from your Big Stone clients regarding their response to our Request for Production of Documents (Third Set, SD Docket), No. 4, which I emailed you about on Wednesday.

We have also run into problems with the response to our IR No. 17 in the Minnesota docket. After reviewing the response to IR No. 17 (b), we think it is non-responsive. The question specifically requests that MDU provide "In electronic text or Excel format...the input and output files and the documents used to develop the inputs associated with the model runs made in preparation of the most recent integrated resource plans." From MDU's 2005 IRP and the answers to our IR No. 40, we understand that MDU used a computer model and a spreadsheet in developing its 2005 IRP. The files relevant to this request were not provided. Please note that when you do provide the requested files, the spreadsheet that was used to screen DSM should include the formulas and any other information "hidden" in the spreadsheet.

In reviewing the response to MCEA IR No. 17 (e), we have some questions about the response. It refers to a MN DOC Information Requests, though it does not say which one(s). Assuming that it refers to the response to DOC IR No. 25, the responses to DOC IR No. 25 posted on the virtual data room have had their trade secret data excised. It seems that some files are missing from what are listed to be responsive, and others may have important information erased. We need all trade secret files.

We are still in the process of reviewing your responses to our IR Nos. 25-49, but suffice it to say for the moment, we need to discuss these with you. I will email you about that set of discovery separately.

Thank you for your attention to these matters.

Beth Goodpaster Energy Program Director Minnesota Center for Environmental Advocacy 26 E. Exchange St., Suite 206 St. Paul, MN 55101 (651) 223-5969 phone (651) 223-5967 fax bgoodpaster@mncenter.org www.mncenter.org

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From:Goodpaster, BethSent:Tuesday, April 18, 2006 4:26 PMTo:'Peter L. Tester'Subject:MCEA IR No. 17(a)

I also received clarification on the Otter Tail Power model runs that we wanted to get in response to our IR No. 17 (a). It looks like Otter Tail modeled five plans in addition to the Preferred Plan, as set forth in Section 9 of the Resource Plan: 1) the environmental externality optimization, 2) a Big Stone II plant sensitivity, 3) a wind sensitivity, 4) the 50% conservation and renewables plan, and 5) the 75% conservation and renewables plan. As I mentioned on the phone, we received the modeling files for the Preferred Plan, but not for the other five plans discussed in Section 9 of the Resource Plan. Your prompt attention to providing the additional modeling files is appreciated.

Thanks,

Beth Goodpaster Energy Program Director Minnesota Center for Environmental Advocacy 26 E. Exchange St., Suite 206 St. Paul, MN 55101 (651) 223-5969 phone (651) 223-5967 fax bgoodpaster@mncenter.org www.mncenter.org

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From:	Goodpaster, Beth
Sent:	Wednesday, May 03, 2006 12:17 PM
To:	Todd J. Guerrero; 'Peter L. Tester'; 'cwmadsen'
Subject:	Discovery in Big Stone II cases

Importance: High

Gentlemen:

In a conversation with Peter yesterday afternoon, I learned for the first time that the Big Stone II Co-owners may be objecting to providing the information that has not been provided in response to our Information Request No. 17 (which was also sought by reference in our Fourth Set of Requests for Production of Documents in the SD Docket). As you know, the original IR No. 17 was served January 13 and our Fourth RFP in SD that includes IR No. 17 was served March 9.

As I have discussed with Peter on multiple occasions over on the phone and via email, the information sought in IR No. 17, and not provided, includes:

- Documents used to develop the inputs used in GRE/SMMPA/OTP/MDU/MRES Resource Plan modeling runs
- The OTP input and output files for the IRP modeling runs for the five scenarios analyzed in the IRP (that are in addition to the "Preferred Plan" scenario; input/output files for the Preferred Plan have been provided)

I also raised with Peter yesterday that the GRE output files for the IRP modeling runs have not been provided.

Our consultants need the entirety of data sought in IR No. 17 in order to prepare their testimony that is currently due May 19, 2006 in the South Dakota proceeding.

If no responses are forthcoming today, our next step is to contact John Smith at the SDPUC to schedule a motion to compel responses and to seek relief from the May 19 testimony deadline.

We have given a lengthy extension on IR Nos. 58-63, premised on the fact that such an extension would facilitate the timely receipt of all other outstanding discovery. A mistaken decision on my part, apparently, since we still have not received promised supplemental responses to IR Nos. 25-49, a subject we addressed in March 30, 2006, correspondence and later telephone conversations; nor responses to IR Nos. 50-57.

Beth Goodpaster Energy Program Director Minnesota Center for Environmental Advocacy 26 E. Exchange St., Suite 206 St. Paul, MN 55101 (651) 223-5969 phone (651) 223-5967 fax bgoodpaster@mncenter.org www.mncenter.org

"Since 1974, your legal and scientific voice protecting and defending Minnesota's environment."

From:Goodpaster, BethSent:Thursday, May 04, 2006 3:50 PMTo:Peter L. Tester; Todd J. Guerrero

Subject: IR No. 17

I talked to our consultants further today, after they looked again at the GRE Response to IR No. 17. We still believe that we have not received all the input/output files associated with the IRP modeling runs that GRE ran. By way of explanation: on page 98 of the 2005 GRE IRP, there is a diagram of the modeling process that GRE used. The diagram shows three boxes, one for "PVRR Comparison", another for "Stochastic Risk Analysis" and another for "Scenario Risk Analysis". Although, unlike OTP, GRE provided files for all the resource scenarios it analyzed, GRE appears not to have provided any input/output files related to the portions of the modeling process depicted by the three boxes on page 98 of the IRP; for example, there appears to be no PVRR information for the scenarios modeled. It is unclear whether all risk analyses input/output files were provided (the other two boxes). All of these would have been input/output files within the scope of IR No. 17, and based on our review, these files have still not been provided.

Please let me know whether we can expect a prompt supplementary response. Thanks.

Beth Goodpaster Energy Program Director Minnesota Center for Environmental Advocacy 26 E. Exchange St., Suite 206 St. Paul, MN 55101 (651) 223-5969 phone (651) 223-5967 fax bgoodpaster@mncenter.org www.mncenter.org

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Martha C. Brand

Executive Director

March 30, 2006

VIA EMAIL

Peter L. Tester Lindquist and Vennum 4200 IDS Center 80 South Eighth Street Minneapolis, MN 55402.

Dear Peter.

We are in receipt of Big Stone II Co-owners' responses to our last set of discovery requests (Nos. 25-49) in the Minnesota Big Stone II docket. After reviewing your responses, we request that you more fully respond as is required under the rules and applicable law. Pursuant to Minn. R. Civ. P. 37.01 (2006) and General Rules of Practice, Rule 115.10 (2006). consider this our good faith attempt to resolve any issues without involvement of the Commission - We have the following comments and requests regarding your initial discovery responses:

RESPONSES TO IR NOS. 25-30

This group of information requests sought details of graphs submitted to the South Dakota Public Utilities Commission regarding Big Stone II Coowners' claimed forecasts and projections air emissions from the proposed project.

Big Stone II Co-owners' state objections to IR Nos. 25, 26, 28, and 30 on relevance grounds, that state "the information sought concerns air . emission issues from the Big Stone power plant located in South Dakota which are primarily and exclusively within the purview of the air quality proceedings before the South Dakota Department of Environment and Natural Resources ("DENR"). This information is not relevant to the . subject matters of this hearing."

Your relevance objections to these requests, which amount to refusal to substantively respond, are unfounded. These air emission issues are not exclusively within the purview of the South Dakota air permit proceedings, and are relevant to the Minnesota Certificate of Need docket.

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Mr. Peter L. Tester March 30, 2006 Page 2 of 5

As you know, the Certificate of Need statute requires a comparison of the costs of the proposed project, including environmental costs, to the cost of renewable energy sources, Minn. Stat. §216B.243, subd. 3a provides that renewable energy sources must be examined, including a comparison of the costs of renewable energy to the selected alternative.¹ Air emissions are part the environmental costs to be factored into this analysis.

As the Commission ruled in December, the need for the power line and the need for the generation are "inextricably linked." Several provisions of the Commission's Certificate of Need rules also require a consideration of environmental impacts, including Minn. R. 7849.0120(B)(3)(relating to the effects of the proposed facility upon the natural and socioeconomic environments"), and Minn. R. 7849.7849.0120(C)(relating to whether the projects benefits are "compatible with protecting the natural and socioeconomic environments, including human health").

Moreover, the rules require consideration of whether the project would comply with federal laws (Minn. R. 7849.0120(D)). Our Information Request No. 26 in particular relates directly to how the Applicants interpret and plan to comply with federal mercury emission laws and regulations.

In addition, the "Environmental Impact Scoping Decision" of the Minnesota Department of Commerce ("DOC"), of February 28, 2006, states that its EIS will address environmental and human impacts of the proposed project and alternatives, including emissions of hazardous air pollutants such as mercury. The Scoping Decision further elaborates that the analysis of alternatives to the proposed project includes analysis of human and environmental impacts of the proposed power Big Stone II power plant expansion.² Disclosure of the impacts of the project, and the comparison of the impacts of the project with alternatives such as renewable energy sources obviously requires and analysis of the air quality impacts of each. Our information requests relating to air emissions, and how the Big Stone II project plans to control its mercury emissions; C02 and other emissions, go directly to the issues of human and environmental impacts associated with the size, type, and timing of the proposed project.

¹ Minn. Stat. §216B.243, subd. 3a ("Use of renewable resource. The commission may not issue a certificate of need under this section for a large energy facility that generates electric power by means of a nonrenewable energy source, or that transmits electric power generated by means of a nonrenewable energy source, unless the applicant for the certificate has demonstrated to the commission's satisfaction that it has explored the possibility of generating power by means of renewable energy sources and has demonstrated that the alternative selected is less expensive (including environmental costs) than power generated by a renewable energy source.").

² Minnesota Department of Commerce Environmental Impact Statement Scoping Decision, PUC Docket No. E017, et al./CN-05-619, page 3 (The EIS will "review impacts and mitigation measures for . . . the proposed transmission project in the application , including the assumption of the Big Stone II Plant expansion.")

March 30, 2006 Page 3 of 5

The relevance objection is especially perplexing with regard to Information Request No. 28, which specifically seeks information related to Big Stone II claims regarding the interplay between the project's "CO2 intensity" and the transmission lines proposed to be built in Minnesota. It seems highly unlikely that the South Dakota DENR will be evaluating these Big Stone II claims in its federal Clean Air Act permitting proceeding.

You also imply in your responses to IR Nos. 25, 26, 28, and 30 that it matters that "the document referenced was produced by Applicants in a separate proceeding before the South Dakota Public Services [sic] Commission, involving the Applicants' application for an energy conversion facility permit under South Dakota law." The fact that Big Stone II Co-owners submitted this document to the South Dakota Public Utilities Commission at the request of one of the Commissioners has no bearing on whether we can seek discovery regarding what are now public documents and party admissions.

Especially in view of the overarching requirements of the Minnesota Environmental Policy Act ("MEPA") and Minnesota Environmental Rights Act ("MERA"), substantive responses to our information requests regarding the emissions of the Big Stone II power plant are required.³ Indeed, the fact that the plant that would produce the emissions is proposed to be located in South Dakota is irrelevant, since MERA extends Minnesota jurisdiction to acts occurring outside the state, when the actions threaten pollution, impairment or destruction of natural resources within Minnesota.⁴

Some of your objections are "vagueness" objections, and though we do not concur that the terms are ambiguous, we offer the following alternate terms to assist you in responding to the requests. "Source documents", in IR No. 25, 28 and 29, can be read as "supporting documents". "Calculations", in IR Nos. 25 and 28, can be read as "supporting calculations and workpapers". "Allowance allocations", in IR No. 26, refers to those mercury emission allowance allocations expected to be made under the federal Clean Air Mercury Rule, and "allowance costs", can be read as "the cost of allowances that the Co-owners anticipate will need to be procured in order to maintain projectedoperation of Big Stone Unit II." In IR No. 29, you question the applicable time period for which Co-owners' "efforts" should be described, and thus we would limit this request to "efforts made in the past five years"; also you question what is meant by "other evidence", and that term can be read as "supporting documentation". Finally, you object to IR No. 28(e) on the basis that "any Communication" is overly broad and burdensome;

Minn. Stat. §116B.11, subd. 1(b).

³ See, *People for Environmental Enlightenment & Responsibility (PEER)*, 266 N.W.2d 858, 865 (Minn. 1978) ("To ensure that the MEQC would not sacrifice environmental protection in its attempt to site power plants and HVTLs as efficiently as possible, [the legislature] required that 'to the fullest extent practicable the policies, regulations and public laws of the state shall be interpreted and administered in accordance with the policies set forth in [MEPA]." ... Recently, in *No Power Line, Inc. v. Minnesota EQC*, Minn., 262 N.W.2d 312, 323 (1977), we decided that the legislature did not intend the PPSA [Power Plant' Siting Act] to preempt MEPA and make it superfluous. Today we reach a similar conclusion regarding MERA. Rather than intending the PPSA to supersede MERA, the legislature passed all these statutes to ensure that administrative agencies would discharge fully their environmental responsibilities.")

March 30, 2006 Page 4 of 5

we can limit this request to "written communications" that address the subject of utilization of the "\$25 million dollar investment in additional regional transmission capacity" to transmit electricity generated by wind power.

RESPONSE TO IR No. 31: The question specifically asks Big Stone II Co-owners to explain in detail what DSM "assumptions" GRE is referring to in its 2005 Resource Plan and how they "weaken the forecast." Your response states that the request is vague and ambiguous with respect to where in the Resource Plan GRE makes these statements. This information can be found on page 78 of the 2005 Resource Plan. The response also states that the information concerning GRE's 2005 Resource Plan is not relevant to the subject matter of this hearing. As you know, DSM is squarely presented as an issue in this proceeding under Minn. Stat. §216B.243 subd. 3, and GRE's admissions regarding the subject of DSM in its Resource Plan are fair subjects of discovery in this docket as well as in the Resource Plan docket itself.

RESPONSE TO IR No. 32(b): Big Stone II Co-owners' response states that two CMMPA planning studies prepared by R.W. Beck have previously been provided to Intervenors. We have checked our records, and do not believe that the 2004 analysis has been provided to us previously.

RESPONSE TO IR No. 34: This information request asked both an interrogatory and asked Big Stone II Co-owners to provide supporting documentation for the response. Your response did not provide supporting documentation, and on that basis, is partially non-responsive.

RESPONSE TO IR No. 36: The response states that the "Big Stone Unit II Participation Agreement defines the rights and obligations of the Applicants, including circumstances whereby one or more participant alters the amount of its share of Big Stone Unit II." If the information requested is in the Big Stone Unit II Participation Agreement, a copy of that agreement should be provided as we specifically asked for supporting documentation in IR No. 36(c).

RESPONSE TO IR No. 37: After reviewing the response to IR No. 37, we think it is non-responsive. The question specifically asks "what *criteria* were used to pick the average annual compound growth rate," not what process was used.

RESPONSE TO IR No. 48: This IR sought the responses to GRE's recent request for proposals for 120 MW of power; we understand that this was a request for proposals in 2005 for power from renewable energy sources. Big Stone II Co-owners stated objection to IR No. 48 is that "it is not reasonably calculated to lead to the discovery of admissible evidence." The responses to GRE's 2005 request for proposals for renewable resources is directly relevant to evaluating GRE's claims regarding the relative costs of renewable energy sources such as wind power, a subject that is at issue in this proceeding. Moreover, when we asked a similar question in the Third Set of Request for Production of Documents in SD PUC Docket No. EL05-022, regarding the responses to a GRE

Mr. Peter L: Tester March 30, 2006 Page 5 of 5

request for proposals it issued in late 2004, Big Stone II provided us responsive documents without objection.

I would like to schedule a conference call with you Monday, April 3, 2006 to discuss the above matters, in addition to the discovery issues that I've raised with respect to our Third Set of Interrogatories in the South Dakota proceeding and our Information Request Nos. 3-24 in the Minnesota proceeding.

Thank you very much for your attention to these matters.

Sincerely,

Beth Goodpaster