

Applicants' Witness

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Summary

Applicants' Exhibit 25

Purpose of Report

- Compile information requested by Minnesota PUC (MPUC) for the MN Certificate of Need Application

■ Report filed in South Dakota as Applicants' Exhibit 25-B

- Two questions:

■ If BSPll is not built, what would be each Applicant's "next best" alternative for meeting the need?

■ Compare and contrast the costs, including environmental externalities established by the MPUC, of the seven "next best" alternatives, compared to the cost of BSPll.

Major Conclusions

- **BSPII without externality costs:**
 - Costs \$670 million less than the seven alternatives combined.
- **Even including externality costs, BSPII costs less than the seven alternatives combined.**
- **BSPII with high externality costs:**
 - Costs \$718 million less than the seven alternatives.
- **BSPII with high externality costs plus high CO₂ externality costs:**
 - Costs \$653 million less than the seven alternatives.

* All costs shown are net present value.

Major Conclusions (cont'd)

(Net Present Value, in \$000's*)

	High	Low	All CO ₂
Externalities with BSPll	\$ 7,409	\$ 4,222	\$158,270
Externalities without BSPll	<u>\$56,454</u>	<u>\$12,100</u>	<u>\$142,660</u>
Externality benefit of BSPll	\$ 49,045	\$ 7,879	(\$15,610)
BSPll benefit w/o externalities	<u>\$669,141</u>	<u>\$669,141</u>	<u>\$669,141</u>
BSPll benefit with externalities	\$718,185	\$677,019	\$653,531

*All costs shown are differences compared to the seven "next-best" alternatives.