

EL05-022

215 South Cascade Street  
PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
www.otpc.com (web site)

RECEIVED  
AUG 03 2005  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION



August 1, 2005

Michele Farris  
Annalyst  
South Dakota Public Utilities Commission  
500 East Capitol Ave.  
Pierre, SD 57501

Dear Ms. Farris:

Subject: Application for an Energy Conversion Facility Siting Permit - Updates  
Big Stone II Project

As per our discussion, the following information is enclosed:

- Eight replacement pages of Exhibit 2-2
- Eight CD's of the permit application
- A copy of the cover letter forwarding the application to the Local Review Committee and a suggestion for an organizational meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Graumann".

Terry Graumann  
Manager, Environmental Services

Enclosures

C. Mark Rolfes

COPY

# BIG STONE *II*

July 28, 2005

Dear Local Review Committee Member:

Subject: Proposed Big Stone II Energy Conversion Facility

On July 20, 2005, Otter Tail Power Company filed the Energy Conversion Facility Permit Application for the Big Stone II Project with the South Dakota Public Utilities Commission (PUC). The PUC has asked us to provide each of the Local Review Committee members with a copy of the application (copy enclosed).

The South Dakota law has delegated to the Local Review Committee the responsibility to provide the PUC with its assessment of the potential social and economic effect generated by the proposed Big Stone II facility, to assess the area's capacity to absorb the effects, and to formulate mitigation measures. The final report and recommendations must be provided to the PUC within 7 months of our filing the application. Attached is a copy of the information that was provided by the PUC to each of you in their letter of January 18, 2005.

The Commission has suggested that the Local Review Committee meet to elect a Committee chairperson and to formulate plans for fulfilling our reporting responsibilities. To begin the process, I suggest the following possible meeting dates for our first Local Review Committee meeting: August 10, 11, 17 or 18. I would suggest that we begin the meeting with dinner at 6:30 p.m. at the Lantern Inn in Milbank followed by Committee organization and a discussion of the process going forward.

Lori Dawkins will be contacting each of you in the next few days with your meeting date preference.

Sincerely,

*Mark Rolfes*

Mark Rolfes  
Project Manager

Enclosure

PO Box 496  
215 SOUTH CASCADE STREET  
FERGUS FALLS MN 56537

A STUDY FUNDED BY:  
OTTER TAIL POWER COMPANY, LEAD DEVELOPER  
CENTRAL MINNESOTA MUNICIPAL POWER AGENCY  
GREAT RIVER ENERGY  
HEARTLAND CONSUMERS POWER DISTRICT  
HUTCHINSON UTILITIES COMMISSION  
MISSOURI RIVER ENERGY SERVICES  
MONTANA-DAKOTA RESOURCES GROUP



y Hanson, Chair  
Sahr, Vice-Chair  
ohnson, Commissioner

## **SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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Transportation/Warehouse  
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Consumer Hotline  
1-800-332-1782

January 18, 2005

Mr. Paul Dummann  
Chairperson  
Grant County Commission  
45745 149th Street  
Summit, SD 57266

Mr. Malcolm Dirksen  
Vice President  
Milbank School District  
520 South Grant Street  
Milbank, SD 57252

Mr. Scott Schneider  
President  
Big Stone City School District  
14336 SD Highway 109  
Big Stone City, SD 57216

Mr. Gary Granquist  
President  
South Shore School District  
47067 East Johnson Street  
Stockholm, SD 57264

Mr. Randy Kruse  
President  
Grant-Deuel School District  
RR 1, Box 11  
Reville, SD 57259

Ms. Paulette Levison  
Mayor  
Town of Reville  
204 West 1st Street  
Reville, SD 57252

Mr. Jim McFarlane  
Mayor  
Town of Big Stone City  
657 Main Street  
Big Stone City, SD 57216

Mr. Truman Nelson  
Chairperson  
Roberts County Commission  
12601 BIA Highway 700  
Sisseton, SD 57262

Mr. Leon Kruse  
President  
Wilmot School District  
RR 1, Box 54  
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Mr. Frank Redlin  
President  
Summit School District  
14957 456th Avenue  
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Mr. Wade Johnson  
President  
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11591 Sica Hollow Road  
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Mr. Dale Aesoph  
Mayor  
City of Milbank  
209 South Viola Street  
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Mr. Harlan Hanson  
Mayor  
Town of Wilmot  
P. O. Box 75  
Wilmot, SD 57259-0075

Mr. Melvin Dragt  
Mayor  
Town of Stockholm  
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Stockholm, SD 57264

Mr. Mike Rufer  
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P. O. Box 32  
Strandburg, SD 57265-0032

Mr. Lloyd Christofferson  
Mayor  
Town of Summit  
P. O. Box 726  
Summit, SD 57266-0726

Mayor  
Town of Twin Brooks  
P. O. Box 38  
Twin Brooks, SD 57269-0038

Mayor  
Town of Marvin  
P. O. Box 51  
Marvin, SD 57251-0051

Mayor  
Town of Corona  
P. O. Box 96  
Corona, SD 57227-0096

Mayor  
Town of LaBolt  
P. O. Box 18  
LaBolt, SD 57246-0018

Mr. Mark Rolfes  
Otter Tail Power Company  
P. O. Box 218  
Big Stone City, SD 57216-0218

RE: In the Matter of the Filing by Otter Tail Power Company  
Regarding its Notification of Intent to Apply for a Permit  
for an Energy Conversion Facility  
Docket EL04-034

Dear Folks:

On November 12, 2004, 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, dba Otter Tail Power Company (Otter Tail). Otter Tail made the filing on behalf of the following energy conversion facility participants: Otter Tail Power Company, Central Minnesota Municipal Power Agency, Great River Energy, Heartland Consumers Power District, Hutchinson Utilities Commission, Missouri River Energy Services. Otter Tail proposes to construct a new electric generating facility, tentatively named Big Stone II, which would be located on a brown field site adjacent to the existing Big Stone Plant unit I. The site is located in Grant County east of Milbank and northwest of Big Stone City, South Dakota. The current plans are to construct a 600 MW electric generating station utilizing a single pulverized coal fired steam generator balanced-draft combustion and a single, reheat steam turbine.

Otter Tail estimates the capital cost of the Big Stone II project at one billion dollars.

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

any person on the committee who ceases to hold such office or appointment shall be replaced on the committee by his/her successor, who shall promptly notify the Commission of such succession.

At its December 6, 2004, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission determined that the affected area is the area within 20 miles of the proposed 600 MW (net) electric generating station in South Dakota, plus the municipalities of Summit and Strandburg, which encompasses portions of Grant and Roberts Counties, the Milbank, Wilmot, Big Stone City, Summit, South Shore, Sisseton and Grant-Deuel School Districts and the cities of Milbank, Revillo, Wilmot, Big Stone City, Stockholm, Strandburg, Summit, Twin Brooks, Marvin, Corona and LaBolt. In accordance with SDCL 49-41B-6, the Commission designated the local review committee which shall be comprised of the following individuals, ex officio:

- (1) The Chairmen of the Grant and Roberts County Commissions;
- (2) The Presidents of the School Boards of the Milbank, Wilmot, Big Stone City, Summit, South Shore, Sisseton and Grant-Deuel School Districts;
- (3) The Mayors or presiding officers of the cities of Milbank, Revillo, Wilmot, Big Stone City, Stockholm, Strandburg, Summit, Twin Brooks, Marvin, Corona and LaBolt; and
- (4) A person appointed by Otter Tail Power Company.

any person on the committee who ceases to hold such office or appointment shall be replaced on the committee by his/her successor, who shall promptly notify the Commission of such succession.

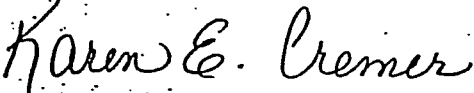
Therefore as the designated person of that organization, you have been appointed as one of the local review committee members.

We have enclosed a copy of the laws which sets forth the committee's duties as well as a copy of the Notice of Intent. The responsibilities of the local review committee can be summarized as follows: the local review committee shall assess the potential social and economic effects of the proposed energy conversion facility, assess the surrounding area's ability to absorb those effects and arrive at mitigation measures.

At this time, Otter Tail has only filed its notice which indicates that it will file its application for a permit. Otter Tail anticipates filing its application for a permit in May 2005. Within seven months after the May application is filed, the committee is required to file a final report with the Commission pertaining to its recommendations on the assessment of the effect of the facility. Pursuant to SDCL 49-41B-8 and 49-41B-9, the committee may employ other such persons to carry out the provisions of § 49-41B-7 and the expenses shall be paid from the initial fee that Otter Tail will be required to include with its application. Expense payments and other authorized payments to committee members are to be financed by the unit of government which the members represent.

Commission Staff would suggest that the committee meet and select a chairperson. While the committee is an independent body separate from Commission Staff, Staff is available to answer any questions the committee may have. Should you need to contact Staff, please do not hesitate to contact me or Michele Farris, Staff Engineer.

Sincerely,

A handwritten signature in cursive script that reads "Karen E. Cremer".

Karen E. Cremer  
Staff Attorney

cc: Michele Farris  
Enc:

(5) A representative of the applicant utility designated by the utilities.  
Source: SL 1977, ch 390, § 10.

Library References

Electricity Ⓒ9(2).  
Westlaw Key Number Search: 145k9(2).

49-41B-7. Assessment by local review committee—Factors included

The local review committee shall meet to assess the extent of the potential social and economic effect to be generated by the proposed facility, to assess the affected area's capacity to absorb those effects at various stages of construction, and formulate mitigation measures. The assessment of the local review committee shall include but not be limited to consideration of the temporary and permanent alternatives in the following areas:

- (1) Housing supplies;
- (2) Educational facilities and manpower;
- (3) Waste supply and distribution;
- (4) Waste water treatment and collection;
- (5) Solid waste disposal and collection;
- (6) Law enforcement;
- (7) Transportation;
- (8) Fire protection;
- (9) Health;
- (10) Recreation;
- (11) Government;
- (12) Energy.

Source: SL 1977, ch 390, § 12.

Library References

Electricity Ⓒ9(2).  
Westlaw Key Number Search: 145k9(2).

49-41B-8. Employment of personnel by committee—Expenses—Information furnished by commission

The local review committee may employ such persons as determined by the Public Utilities Commission which may be required to carry out the provisions of § 49-41B-7 and the expenses of said staff shall be paid from the initial filing fee. The commission shall furnish copies of the application to the members of the local review committee and all other information which the commission determines that the committee should receive.

Source: SL 1977, ch 390, § 14.

Library References

Electricity Ⓒ9(2).  
Westlaw Key Number Search: 145k9(2).

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**49-41B-9. Financing of committee expenses**

Expense payments and other authorized payments to members of the local review committee for their service on the committee shall be financed by the unit of government or utility which they represent.

Source: SL 1977, ch 390, § 11.

**Library References**

Electricity ⇨9(2).

Westlaw Key Number Search: 145k9(2).

**49-41B-10. Final report of committee**

Within seven months after the application is filed the local review committee shall file a final report with the Public Utilities Commission which includes the recommendations of the committee as to mitigation measures and minority reports.

Source: SL 1977, ch 390, § 13.

**Library References**

Electricity ⇨9(2).

Westlaw Key Number Search: 145k9(2).

**49-41B-11. Applications for permit—Filing deadline—Form—Contents**

All applications for a permit shall be filed with the Public Utilities Commission not less than six months prior to the planned date of commencement of construction of a facility in such form as prescribed by rules, and shall contain, but not be limited to, the following information:

- (1) The name and address of the applicant;
- (2) Description of the nature and location of the facility;
- (3) Estimated date of commencement of construction and duration of construction;
- (4) Estimated number of employees employed at the site of the facility during the construction phase and during the operating life of the facility. Estimates shall include the number of employees who are to be utilized but who do not currently reside within the area to be affected by the facility;
- (5) Future additions and modifications to the facility which the applicant may wish to be approved in the permit;
- (6) A statement of the reasons for the selection of the proposed location;
- (7) Person owning the proposed facility and person managing the proposed facility;
- (8) The purpose of the facility;
- (9) Estimated consumer demand and estimated future energy needs of those consumers to be directly served by the facility;



<b>Title</b>	<b>FirstName</b>	<b>LastName</b>	<b>JobTitle</b>	<b>Company</b>	<b>Address1</b>	<b>Phone</b>	<b>City</b>	<b>State</b>	<b>PostalCode</b>
Mr.	Richard	Berens	Chairperson	Grant County Commission	204 Highview Dr	605-432-6741	Milbank	SD	57252
Mr.	Malcolm	Dirkson	Vice President	Milbank School District	46977 144 <sup>th</sup> St	?	Twin Brooks	SD	57269
Mr.	Scott	Schneider	President	Big Stone City School District	14336 SD Highway 109	605-862-8408	Big Stone City	SD	57216-5528
Mr.	Gary	Granquist	President	South Shore School District	47067 East Johnson Street	605-676-2427	Stockholm	SD	57264
Mr.	Randy	Kruse	President	Grant-Deuel School District	16613 482 <sup>nd</sup> Ave	605-623-4486	Reville	SD	57259-5200
Ms.	Paulette	Levisen	Mayor	Town of Reville	204 West 1 <sup>st</sup> Street	?	Reville	SD	57252
Ms.	Deb	Wink	Mayor	Town of Big Stone City	457 Triega St	605-862-8303	Big Stone City	SD	57216
Mr.	Glen	Hull	Chairperson	Roberts County Commission	411 2 <sup>nd</sup> Ave E.	605-698-3395	Sisseton	SD	57262-1453
Mr.	Leon	Kruse	President	Wilmot School District	47050 138 <sup>th</sup> St	605-938-4533	Wilmot	SD	57279-8114
Mr.	Frank	Redlin	President	Summit School District	14957 456 <sup>th</sup> Avenue	605-398-6527	Summit	SD	57266-5603
Mr.	Wade	Johnson	President	Sisseton School District	11591 Sica Hollow Road	605-698-4159	Sisseton	SD	57262
Mr.	Dale	Aesoph	Mayor	City of Milbank	209 South Viola Street	605-432-6685	Milbank	SD	57252-2119
Mr.	Harlan	Hanson	Mayor	Town of Wilmot	P.O. Box 75 605 1 <sup>st</sup> St	605-938-4588 or 4168	Wilmot	SD	57259-0075
Mr.	Melvin	Dragt	Mayor	Town of Stockholm	414 East Johnson Avenue	605-676-2305 or 605-676-2421	Stockholm	SD	57264
Mr.	Mike	Rufer	Mayor	Town of Strandburg	P.O. Box 32 121 N. Main	605-676-2545	Strandburg	SD	57265-0032
Mr.	Perry	Porath	Mayor	Town of Twin Brooks	P.O. Box 38 110 W. Eastman Ave.	605-432-6740	Twin Brooks	SD	57269-0038
Mr.	Tim	Settje	Mayor	Town of Corona	P.O. Box 96 106 3 <sup>rd</sup> St	605-432-4346 or 605-432-5393	Corona	SD	57227-0096

Title	FirstName	LastName	JobTitle	Company	Address1	Phone	City	State	PostalCode
Mr.	Lloyd	Christofferson	Mayor	Town of Summit	P.O. Box 726 303 Oak St.	605-398- 6315	Summit	SD	57266-0726
Ms.	Wanda	Thaden	Bd. President	Town of Marvin	P.O. Box 83 37 South Minnesota St.	605-398- 6158	Marvin	SD	57251-0083
Mr.	Danny	Berglund	Bd. President	Town of LaBolt	P.O. Box 18 109 Church St.	? 	LaBolt	SD	57246-0018
Mr.	Mark	Rolfes	Utility Rep	BSP II Project	P.O. Box 218	605-862- 6360	Big Stone City	SD	57216

Mr. Richard Berens  
Chairperson  
Grant County Commission  
204 Highview Dr.  
Milbank, SD 57252

Mr. Malcolm Dirkson  
Vice President  
Milbank School District  
46977 144th St  
Twin Brooks, SD 57269

Mr. Scott Schneider  
President  
Big Stone City School District  
14336 SD Highway 109  
Big Stone City, SD 57216-5528

Mr. Gary Granquist  
President  
South Shore School District  
47067 East Johnson Street  
Stockholm, SD 57264

Mr. Randy Kruse  
President  
Grant-Deuel School District  
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Reville, SD 57259-5200

Ms. Paulette Levison  
Mayor  
Town of Reville  
204 West 1st Street  
Reville, SD 57252

Ms. Deb Wiik  
Mayor  
Town of Big Stone City  
457 Tioga St.  
Big Stone City, SD 57216

Mr. Glen Hull  
Chairperson  
Roberts County Commission  
411 2nd Ave E.  
Sisseton, SD 57262-1453

Mr. Leon Kruse  
President  
Wilmot School District  
47050 138th St.  
Wilmot, SD 57279-8114

Mr. Frank Redlin  
President  
Summit School District  
14957 456th Avenue  
Summit, SD 57266-5603

Mr. Wade Johnson  
President  
Sisseton School District  
11591 Sica Hollow Road  
Sisseton, SD 57262

Mr. Dale Aesoph  
Mayor  
City of Milbank  
209 South Viola Street  
Milbank, SD 57252-2119

Mr. Harlan Hanson  
Mayor  
Town of Wilmot  
P.O. Box 75  
Wilmot, SD 57259-0075

Mr. Melvin Dragt  
Mayor  
Town of Stockholm  
414 East Johnson Avenue  
Stockholm, SD 57264

Mr. Mike Rufer  
Mayor  
Town of Strandburg  
P.O. Box 32  
Strandburg, SD 57265-0032

Mr. Perry Porath  
Mayor  
Town of Twin Brooks  
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Twin Brooks, SD 57269-0038

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Mayor  
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Mr. Lloyd Christofferson  
Mayor  
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Ms. Wanda Thaden  
Bd. President  
Town of Marvin  
P.O. Box 51  
Marvin, SD 57251-0051

Mr. Danny Berglund  
Bd. President  
Town of LaBolt  
P.O. Box 18  
LaBolt, SD 57246-0018

Mr. Mark Rolfes  
Utility Rep.  
BSP II Project  
P.O. Box 218  
Big Stone City, SD 57216



Exhibit 2-2

POWER PLANT SITE  
Big Stone II Project  
Big Stone II Co-owners