

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

Docket No. EL05-022

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'
ANSWERS TO PROPOUNDING
INTERVENORS' FIRST AND FIRST
AMENDED SET OF
INTERROGATORIES**

The Big Stone II Co-owners ("Co-owners") for their answers to the First Set and First Amended Set of Interrogatories of 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"), state as follows:

OBJECTIONS

On November 1, 2005, the Co-owners served their objections to Propounding Intervenors' First Set and First Amended Set of Interrogatories. Said objections, which were both general and specific to the interrogatories, are incorporated herein by reference. Without waiving any of the general or specific objections, and subject to said objections, Co-Owners jointly and individually answer as follows.

ANSWERS TO INTERROGATORIES

INTERROGATORY 1. Identify all persons answering these interrogatories or contributing to the answers to these interrogatories.

OTP Response: Identification will be provided with each response.

GRE Response: Michele Beck - Market & Pricing Analyst
Gary Connett - Manager of Member and Resource Services
Joe Jubert - Project Manager, Generation Development
Sam Kokkinen - Power Marketing Engineer
Stan Selander - Resource Development Administrator
Mark Strohfus - Environmental Project Leader
Carl Sulzer - Manager, Generation Services

HCPD Response: John Knofczynski - Manager of Engineering
Francis McGowan - Manager of Finance

SMMPA Response: Larry Anderson - Senior Planner/Economist

INTERROGATORY 18. State whether each of the Co-owners believes it is likely that greenhouse gas (ghg) regulation will be implemented in the U.S (a) in the next five years, (b) in the next ten years, and (c) in the next twenty years.

OTP Response: (Response by: Terry Graumann, Manager, Environmental Services)

Otter Tail Power Company has not speculated on the likelihood of greenhouse gas (GHG) regulation. As a part of its resource planning, it specifically includes the externality value adapted by the MPUC for CO₂.

Otter Tail Power Company is doing what it can to reduce the intensity of carbon dioxide emissions (pounds of CO₂ per megawatt hour) through efficiency improvements to its existing units, by selection of more efficient super-critical technology for Big Stone II, and by a commitment to meet its Minnesota Renewable Energy Objective.

GRE Response: (Response by: Mark Strohfus, Environmental Project Leader)

GRE has followed the legislative initiatives proposing to regulate green house gases. None of the proposals to date at the federal or state level have had sufficient support to pass. Nonetheless, GRE closely follows the GHG discussion at the federal and state levels, but it has not attempted to speculate a likely date when GHG legislation may be enacted or when regulations may be promulgated.

HCPD Response: (Response by: John Knofczynski, Manager of Engineering)

Heartland has followed closely the public discussions of CHG. It is not possible to speculate on what policy decisions, if any, will be taken by federal or state governments in response to these discussions. Heartland is committed to the most efficient use of energy. The investment in Big Stone II, with its super-critical technology, is a part of that commitment.

SMMPA Response: (Response by: Larry Johnston, Director of Corporate Development, Agency Relations and Officer of Legislative and Regulatory Affairs)

SMMPA has not made any estimates regarding the type or timing of regulations relative to green house gases. The Minnesota Resource Planning process requires a discussion of contingencies. While green house gases have not been a portion of that contingency section, with the MPUC's acceptance of our 2000 Resource Plan, the MPUC requested that SMMPA conduct a supplemental filing looking at CO₂ and mercury mitigation strategies. In addition to reporting SMMPA's 1990 and 2000 CO₂ emissions, SMMPA referenced the modeling that was being conducted by Xcel (State Impact Assessment Model - SIAM) and efforts being conducted by EPRI. SMMPA indicated that there was little it could do to add to that modeling.

MDU Response: (Response by: Jay Skabo, Environmental Manager)

Montana-Dakota Utilities Co. has not adopted a statement of belief on the likelihood of such regulation but monitors legislative and administrative action on the matter.

CMMPA Response: (Response by: Don Kom, Executive Director)

CMMPA is uncertain as to the type, timing, or level of future CHG regulation.

MRES Response: (Response by: Bill Radio, Director, Member Services and Public Relations).

MRES cannot say whether it is likely or what form, if any, GHG regulation will take in the next five to twenty years.