

Applicants' Witness KE Harris

Project Manager
Business & Technology Services
Burns & McDonnell

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 BSP11 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 BSP11.

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.

Major Conclusions (cont'd)

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

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

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