



Boyce, Greenfield, Pashby & Welk, LLP

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION November 28, 2006

101 N. Phillips Ave., Suite 600
Sioux Falls, SD 57104

P.O. Box 5015
Sioux Falls, SD 57117-5015

Ms. Patricia Van Gerpen
Executive Director
Public Utilities Commission of the
State of South Dakota
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, SD 57501

Mr. Jeff Engesser
Mayor
City of Gary
P.O. Box 127
Gary, SD 57237

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Re: **In the Matter of the Application for a Route Permit for High Voltage Transmission Lines in Eastern South Dakota**
Docket No.: EL06-002

Dear Ms. Van Gerpen and Mr. Engesser:

Enclosed and served upon you please find one original of the following:

1. Otter Tail's submission of amendments to the Application dated January 12, 2006; and
2. Proposed Stipulation for Findings of Fact and Conclusions of Law.

Ten copies of the foregoing are also being enclosed in the package addressed to Ms. Van Gerpen for intra-departmental distribution.

The amendments to the Application consist of an explanatory enclosure letter from Mr. Dean Pawlowski, an amended Table 1 for Section 5 of the Application, and an amended Section 18 of the Application.

We would like approval of the Stipulation to be scheduled on the agenda for the Commission's hearing December 19, 2006. To that end, please review the proposed Stipulation and let us know if the Staff finds it acceptable and ready for execution.

Russell R. Greenfield

Gary J. Pashby

Thomas J. Welk

Michael S. McKnight

Gregg S. Greenfield

Roger A. Sudbeck

Lisa K. Marso

*Heather R. Springer**

Darin W. Larson

Michael F. Tobin

Christopher W. Madsen

*Sherry L. Rotert***

Charles A. Larson

Joanne M. Haase+

*Also licensed in Kansas

**Also licensed in Colorado

+Also licensed in Minnesota

Mrs. Patricia Van Gerpen

Mr. Jeff Engesser

November 28, 2006

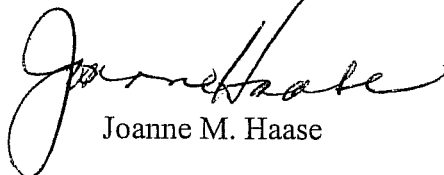
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Applicants will also post the amendments to the Application on a web page being maintained by the Applicants for this project.

Thank you for your consideration.

Very truly yours,

BOYCE, GREENFIELD, PASHBY & WELK, L.L.P.

A handwritten signature in cursive script, appearing to read "Joanne M. Haase". The signature is written in black ink and is positioned above the printed name.

Joanne M. Haase

JMH/taj

Enclosures

PO Box 496
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BIG STONE TRANSMISSION

November 28, 2006

Joanne M. Haase
Attorney at Law
Boyce, Greenfield, Pashby & Welk, L.L.P.
101 N. Phillips Ave., #600
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Sioux Falls, SD 57117-5015

Dear Joanne M. Haase,

This correspondence is to provide you with the latest updates on the Big Stone Transmission Project. The Project has accomplished a significant amount of work since the application was submitted in January 2006. As was submitted in our filing on November 10, 2006, options have been secured on all but one landowner in South Dakota. The Mid-Continent Area Power Pool's Design Review Subcommittee approved the Project's interconnection study, and the Project also expects MISO to formally approve this study in January of 2007.

The Project has also spent a fair amount of time updating its cost estimate and schedule. Because these have been refined, we are providing replacement pages for application with the updated information.

Thanks for your assistance with this permit. If there is any other information that you require, please let us know in order to help issue it in a timely manner.

Sincerely,

Dean Pawlowski
Otter Tail Power Company
Project Manager, Big Stone Transmission

5.0 ESTIMATED COST OF FACILITY (ARSD 10:22:09)

The costs for the South Dakota portion of the transmission lines are estimated to be \$35.7 million in 2006 dollars. Table 1 provides a breakdown of the transmission and substation costs of the Project.

**TABLE 1
FACILITY COSTS**

Facility	Distance (miles)	Construction Costs per mile (Average)	Right-of-Way Costs per mile	Total Cost
Granite Falls Route (345 kV)	33	\$580,000	\$60,000	\$21 Million
Morris Route (230 kV)	4.45	\$390,000	\$60,000	\$2 Million
230 kV connection from Big Stone 230 kV Substation to Big Stone 345 kV Substation – Two Transmission Lines	1.25	\$480,000	\$60,000	675,000
Big Stone 230 kV Substation Upgrade	NA	NA	NA	\$5 Million
Big Stone 345 kV Substation	NA	NA	NA	\$11.4 Million
230 kV transmission line reroute between Big Stone and Hankinson, MN	0.9	\$450,000	NA	\$600,000
Total Facility Costs				\$35.7 Million

Transmission line costs include items related to engineering, surveying, materials, labor and equipment. Annual operation and maintenance costs are estimated to be approximately at \$30,000 per year for the transmission lines and \$10,000 to \$15,000 per year for the substations and are dependent on setting, amount of vegetation management necessary, storm damage occurrences, structure types, age of the transmission line, etc. It is anticipated that very little maintenance will be required for the first several years since the transmission line will be new. These costs do not include any costs related to restoration or mitigation.

18.0 TIME SCHEDULE (ARSD 20:10:22:22)

The Applicants propose an in-service date of August 2010 for the 345 kV and November 2011 for the 230 kV transmission lines to either the City of Morris or Willmar. A permitting and construction schedule for the project is provided below:

Submit PUC Route Permit Application	December 2005
PUC Route Permit	January 2007
Survey Permission and Survey	Feb 2006 – Aug 2006
Transmission Line and Substation Design	Feb 2006 – Mar 2011
ROW Acquisition	Nov 2006 – Mar 2008
Transmission Line Construction	Sept 2008 – Nov 2011
Substation Construction	Sept 2008 – Nov 2011
Final ROW Contacts, Settlements and Cleanup	Mar 2009 – July 2012

* The Big Stone 345 kV substation will be constructed prior to the Big Stone to Granite Falls line operating at 345 kV, which is dependent on other regional facilities, which are in the process of being permitted in Minnesota.