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January 7, 2009

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Comments and Recommendations of the Minnesota Office of Energy Security Facility Permitting Staff for an HVTL Route Permit (PUC Docket No. E017, et al./TR-05-1275)

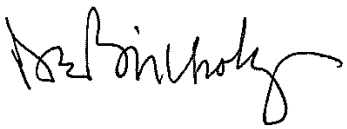
Dear Sir:

Attached are the Minnesota Office of Energy Security Energy Facility Permitting (OES EFP) Staff Comments and Recommendations and proposed Route Permit in the matter of the application for an HVTL Route Permit by Ottertail Power Company, et al., for the Big Stone Transmission Project.

The attached comments and permit have not changed since the initial filing for review at the June 5, 2008, Commission hearing, except the Commission compliance procedures have been updated to match permits being issued currently. While a number of subsequent proceedings have occurred in the certificate of need docket (CN/05-619), OES EFP considers the record stands for the routing docket (TR-05-1275) as of the original Judge's report of August 15, 2007. Since that time, no alteration or addition has been made to that record.

OES EFP staff continues to recommend that if a certificate of need is issued, a permit be granted along the Applicant's proposed route and as designated in the attached maps, and under conditions addressed in the attached permit. Staff is available to answer any questions the Commission may have.

Sincerely,



David E. Birkholz, EFP Project Manager

cc: Bob Cupit, PUC Facility Planner

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE OFFICE OF ENERGY SECURITY ENERGY FACILITY PERMITTING STAFF

DOCKET NO. E017, ET AL./TR-05-1275

Meeting Date: January 15, 2009 Agenda Item # __2__

Company: Otter Tail Power Company; Central Minnesota Municipal Power Agency; Heartland Consumers Power District; Montana-Dakota Utilities Company; and Western Minnesota Municipal Power Agency (collectively, the "Applicants")

Docket No. E017, et al./TR-05-1275

In the Matter of the Application to the Minnesota Public Utilities Commission for a Route Permit for the Big Stone Transmission Project in Western Minnesota.

Issues: Should the Commission find that the Environmental Impact Statement (EIS) and the record adequately address the issues identified in the Scoping Decision?

Should the Commission issue an HVTL route permit identifying specific routes and permit conditions for the proposed Big Stone Transmission Project?

OES Staff: David E. Birkholz 651-296-2878

Relevant Documents

Route Permit Application ..... December 9, 2005
Final Environmental Impact Statement ..... December 1, 2006
ALJ Report ..... August 15, 2007

The enclosed materials are work papers of the Office of Energy Security Energy Facility Permitting Staff (OES EFP). They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats, i.e., large print or audio tape, by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

Documents Attached:

1. Proposed HVTL Route Permit

(Relevant documents and additional information can be found on eDockets (06-1677) or the DOC EFP website: http://energyfacilities.puc.state.mn.us/Docket.html?Id=18938)

Statement of the Issues

Should the Commission find that the Environmental Assessment and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue an HVTL route permit, identifying a specific route and permit conditions for the proposed Chisago Transmission project?

Introduction and Background

On December 9, 2005, Otter Tail Power Company and partners (Applicants) filed a route permit application for the Big Stone transmission line project (Project). Applicants also filed an application for a Certificate of Need (E017, et al./CN-05-619) on October 3, 2005, for the same transmission project.

Project Area

The Project consists of two separate high voltage transmission lines. One line would run north and east from the Big Stone Plant in Big Stone City, South Dakota, to Morris, Minnesota, and a second line would run south from the Big Stone Plant within South Dakota, then east to Canby, Minnesota, and on to Granite Falls, Minnesota. The project area is primarily rural with a mix of developed areas containing permanent residences and commercial areas. The area is rich in wetlands and agricultural areas. Existing 115 kV transmission lines generally delineate the proposed routes.

Project Description
Line One (the "Morris" line) – Big Stone to Morris, Minnesota:

- a new 230 kV transmission line from the Big Stone Plant to Ortonville, Minnesota (approximately seven miles long, two miles of which are located in Minnesota);
- the rebuild of an existing 115 kV transmission line to 230 kV from Ortonville, Minnesota, to the Johnson Junction switching station located in Johnson, Minnesota (approximately 25 miles), and then from the Johnson Junction switching station to the Morris substation near Morris, Minnesota (approximately 16 miles).

Line Two (the "Granite Falls" line) – Big Stone to Granite Falls, Minnesota:

- a new line capable of operating at 345 kV from the Big Stone Power Plant to Canby, Minnesota, traveling due south in South Dakota, and crossing the Minnesota-South Dakota border west of Canby (approximately 54 miles, approximately 14 miles of which are in Minnesota);
- the rebuild of an existing 115 kV transmission line from Canby, Minnesota, to Granite Falls, Minnesota (approximately 39 miles), to a line which is also designed and capable of operating at 345 kV, but which would operate at 230 kV initially. The line would terminate at the Granite Falls substation.

Regulatory Process and Procedures

On December 21, 2005, the Commission issued an Order accepting the route permit application as complete; authorizing OES EFP to begin the full review process under Minnesota Rules 7849.5200-5340; authorizing OES EFP to name a public advisor in this case; referring the matter to the Office of Administrative Hearings for a contested case hearing; and in lieu of an Advisory Task Force, directing OES to proactively consult and inform local governments, enlisting their advice on the scope of the EIS and route alternatives.

Public Information and Scoping Meeting
OES EFP sponsored public meetings on January 24, 2006, in Benson, January 25th in Morris and Ortonville and January 26th in Canby and Granite. The purpose of the public meetings was to provide the public with information about the project, afford the public an opportunity to ask questions and present comments, and to solicit input on the content of the Environmental Impact Statement.

During the initial public information/scoping meetings and in written comments, most concerns raised related to the construction and operation of the Big Stone II coal plant from which these transmission lines originate. Most of these comments were not directly related to the construction and operation of the transmission lines. One major alternative route was proposed to be included in the EIS review but was rejected (see Final EIS, p. 77). Some concerns were raised, including environmental and human health impacts. These issues, along with the typical HVTL routing impacts were incorporated into the EIS Scoping Decision.

Enhanced Local Government Involvement
OES EFP met several times with a committee appointed through the Upper Minnesota Valley Regional Development Commission (UMVRDC). The committee included at least one representative from each of the counties potentially impacted by the project. The group met to discuss possible alternatives for inclusion in the EIS scope. The group continued to meet intermittently throughout the process and continued to offer suggestions and recommendations to OES regarding local issues and possible mitigations.

The UMVRDC committee recommendation was submitted into the record at the hearing supporting the Applicants' proposed route as the most reasonable route alternative. The committee stated these routes were "the most compatible with existing Land Use Plans of the affected counties." The UMVRDC endorsed this recommendation by official action on November 20, 2006.

Environmental Review
Applications for Certificates of Need (CN) and route permits are both subject to environmental review, which is conducted by OES EFP staff. On November 29, 2005, the Commission agreed to combine the environmental report for the Certificate of Need and the Environmental Impact Statement documents, as provided for under Minnesota Rule 7849.7100. An EIS was prepared in accordance with part 7849.5300 in lieu of the environmental report otherwise required under part 7849.7030.

The EIS Scoping Decision was signed by the DOC Commissioner on February 28, 2006. The Draft EIS was made available on July 31, 2007, and public information meetings on the draft were held in conjunction with the public hearings. The Final EIS was released on December 1, 2006, including responses to substantive comments on the draft.

Public Hearing
Public hearings are required in both CN and route permit proceedings. In situations when CN and route permit applications for the same project are considered simultaneously, Minnesota Statute 216B.243, subd. 4, states "Unless the commission determines that a joint hearing on siting and need under this subdivision and section 216E.03, subdivision 6, is not feasible or more efficient, or otherwise not in the public interest, a joint hearing under those subdivisions shall be held."

ALJs Stephen M. Mihalchick and Barbara L. Nielson conducted public hearings in Western Minnesota October 9-13 and in St. Paul October 16th. The ALJs provided the opportunity for members of the public to air their views regarding the proposed and alternate routes. The period for written public comments closed on October 31, 2006. Evidentiary hearings were held in St. Paul in December 2006.

The Judges released their report on August 15, 2007. In the report they made the following recommendations, in relevant part, that:

> "The Commission **ISSUE** Routing Permits for the transmission lines (a 230 kV line from the South Dakota border to the Morris Substation and a 345 kV line from the South Dakota border to the Granite Falls Substation) along the route preferred by the Applicants and authorize construction of the lines, substations, and other associated facilities described in the applications, including a new site for the Canby Substation as described in the record."
>
> "The Commission find that the Final Environmental Impact Statement prepared by the Department is adequate."

Route Permit issues have not been considered in further PUC and OAH proceedings on the Big Stone Certificate of Need docket. The record for the route permit docket stands as of the original Judges' report.

OES EFP Staff Analysis and Comments

Alongside a CON process that created high levels of controversy, the Route Permit process in this docket has been one of little debate. According to the ALJ Report, "***No concerns*** (emphasis added) about the transmission line routes or the potential impacts of the lines were raised during the course of these proceedings by the public or the participants."[1]

For the most part, the Applicants' proposed routes replace existing 115 kV transmission lines along the established rights-of-way. Even though the projects cover many miles, very little new corridor (approximately 14 miles) would be required. There are only a couple issues to address concerning possible conditions to impose in the permit.

Allowing a 2000-foot Route

In the first place, the Applicants' have asked for a route width of 2000 feet, 1000 feet on each side of a route centerline (in most instances that centerline would be the existing right-of-way). While this is a larger concession than usual in recent route permits, there were no comments on the record against this request. In addition, the Judges suggested, "Designating a wider route than is actually necessary for the right-of-way will give the Applicants the ability to consult with landowners to determine the precise location for the transmission structures to minimize potential impacts."[2] This means the existing route can be corrected in places to align on section lines, avoid certain natural areas, etc.

However, one reason the routing process has been lacking in controversy is, again, that the new lines replace and update existing transmission The Judges found, "Based on the information compiled by the Applicants in the Application for Route Permits, the information reported by the Department in the Environmental Impact Statement, and the comments received from the public, there is no evidence that the preferred route of the proposed transmission lines would have a significant impact on the natural environment."[3]

[1] Mihalchick & Neilson, *Findings Of Fact, Conclusions Of Law, And Recommendation*, Finding of Fact 241
[2] FOF 253
[3] FOF 263

However, that finding takes into consideration that, "As discussed previously, the preferred routes call for only a small addition of new right-of-way, since they will follow or parallel existing right-of-way for most of the route."[4] Staff recommends that the permit include instruction from the PUC to stay along the existing alignment to the extent possible to avoid environmental impacts, and to exercise the limits of the route width prudently to achieve the same effect.[5]

DNR Recommendations

In their comments on the Draft EIS, The Department of Natural Resources (DNR) supported the proposed route from Ortonville to Morris. However, it recommended an alteration to reroute a short portion of the route near the Prairie Wildlife Management Area to mitigate the impact on the WMA. The DNR also recommended the use of Avian Flight Diverters along this section. The section "represents a primary migratory flight corridor … proposed for possible designation as a State Important Bird Area."[6] The Avian Flight Diverters were recommended as the "best possible mitigation against incidental avian mortality."

The recommendation includes additional length, complexity, cost, environmental and new corridor considerations. Again, staff references the Judges' comments on the use or paralleling of existing rights-of-way. Staff doesn't consider that this option has significant advantages over the proposed route. However, staff supports the agency's recommendations on flight diverters, and recommends the PUC instruct Permittees to consult with the Department of Natural Resources Area Wildlife Manager during planning and construction of this segment of the route[7]

OES EFP Staff Recommendation

Again, it is the opinion of OES that the record for the route permit docket stands as of the original Judges' report. No route permit issues were considered in the subsequent supplementary need proceedings. If the Certificate of Need is granted, the August 15, 2007, ALJ Findings of Fact, Conclusions of Law and Recommendations can form the basis for a route permit decision. In those findings and conclusions, the Judges were clearly supportive of the Applicants' proposed route. Additionally, the Judges found that the FEIS properly addressed the relevant issues.[8]

Given the lack of opposition in the record to the Applicants' proposed routes, the Judges' recommendations in the case, the recommendation of the local government task force, and OES EFP's own investigation in the Environmental Impact Statement, staff recommends the PUC approve the Applicants' proposed routes as delineated in the attached "Proposed Route Permit," with the special conditions specified in Section V.

[4] FOF 268
[5] Proposed Route Permit, Section V. Special Conditions, No. 2
[6] FEIS, p. 203
[7] Proposed Route Permit, Section V. Special Conditions, No. 4
[8] FOF 338-355

PUC Decision Options

A. Make a Determination on the Record

1. Adopt the August 15, 2007, ALJ Findings of Fact, Conclusions of Law and Recommendations for the Big Stone Transmission Project in Western Minnesota related to PUC Docket No. E017, et al./TR-05-1275 which:

    a. determine that the environmental impact statement and record created at the public hearing address the issues identified in the EIS Scoping Decision;
    b. recommend issuing a Routing Permit for the transmission lines (a 230 kV line from the South Dakota border to the Morris Substation and a 345 kV line from the South Dakota border to the Granite Falls Substation) along the route preferred by the Applicants and construction of the lines, substations, and other associated facilities described in the applications, including a new site for the Canby Substation as described in the record.

2. Amend August 15, 2007, ALJ Findings of Fact, Conclusions of Law and Recommendations for the Big Stone Transmission Project in Western Minnesota as deemed appropriate.

3. Make some other decision deemed more appropriate.

B. Make a Determination on the Route Permit

1. Approve and Adopt the Route as Proposed by the Applicants, with the conditions delineated in the OES Proposed Route Permit.

2. Approve and Adopt the Route as Proposed by the Applicant, with additional conditions as delineated by the Commission.

3. Make some other decision as to the Route and permit conditions deemed more appropriate.

OES EFP Staff Recommendations: Staff recommends options A1 and B1.

ROUTE PERMIT
FOR CONSTRUCTION OF
TWO HIGH VOLTAGE TRANSMISSION LINES
AND SUBSTATION UPGRADES IN
WESTERN MINNESOTA

ISSUED TO

OTTER TAIL CORPORATION, d/b/a OTTER TAIL POWER COMPANY, AND PARTNERS

PUC DOCKET No. E017, et al. /TR-05-1275

In accordance with the requirements of Minnesota Statutes Section 216E.03 and Minnesota Rules Chapter 7849.5010-6500, this Route Permit is hereby issued to OTTER TAIL CORPORATION, d/b/a OTTER TAIL POWER COMPANY, AND PARTNERS.

OTTER TAIL POWER COMPANY, CENTRAL MINNESOTA MUNICIPAL POWER AGENCY, HEARTLAND CONSUMERS POWER DISTRICT, MONTANA-DAKOTA UTILITIES COMPANY AND WESTERN MINNESOTA MUNICIPAL POWER AGENCY are authorized by this route permit to construct a new 230 kilovolt high voltage transmission line and associated facilities approximately 41 miles long between the South Dakota border west of Ortonville in Big Stone County and the Morris Substation in Stevens County, and a new 345 kV high voltage transmission line and associated facilities approximately 53 miles long between the South Dakota border west of Canby and the Granite Falls Substation in Yellow Medicine County. The project shall be built along the route identified in this Permit and portrayed in the attached maps and in compliance with the conditions specified in this Permit.

Approved and adopted this _____ day of January, 2009

BY ORDER OF THE COMMISSION

_____

Burl W. Haar,
Executive Secretary

I. ROUTE PERMIT

The Minnesota Public Utilities Commission (PUC) hereby issues this Route Permit to Otter Tail Power Company and Partners (Partners or Permittees) pursuant to Minnesota Statutes section 216E.03 and Minnesota Rules Chapter 7849.5010-6500. The Partners comprise Otter Tail Corporation (d/b/a Otter Tail Power Company), Central Minnesota Municipal Power Agency, Heartland Consumers Power District, Montana-Dakota Utilities Company, and Western Minnesota Municipal Power Agency (as represented by Missouri River Energy Services).

This permit authorizes the Partners to construct a 230 kilovolt high voltage transmission line in Big Stone and Stevens Counties, Minnesota, build a Johnson Junction Substation, construct a 345 kilovolt high voltage transmission line in Yellow Medicine County, Minnesota, and relocate and update the Canby Substation.

II. PROJECT DESCRIPTION

This Permit authorizes the Partners to construct two new high voltage transmission lines and a new substation and to relocate one substation along with the associated transmission lines.

One new transmission line is a 230 kilovolt (kV) line that runs from the Big Stone Substation in South Dakota to the Morris Substation near Morris, Minnesota, a total of approximately 48 miles, about 43 miles of which are in Minnesota. The second high voltage transmission line is a 345 kV line between the Big Stone Substation to the Granite Falls Substation in Yellow Medicine County, Minnesota, a distance of 90 miles, 54 miles of which would be in Minnesota.

The Big Stone to Morris transmission line will be constructed at 230 kV. Unless different structures are requested by the Partners and authorized by the Plan and Profile procedures in this permit as specified below in Section IV, the Partners are authorized to use H-frame steel or wood structures for the 230 kV transmission line and single pole structures as required. The structures will be between 70 and 100 feet in height with an average span of 700 feet. The conductor is proposed to be 1272 ACSR or 954 ACSS for each phase. The right-of-way (ROW) for this 230 kV line will be 125 feet. A double-circuit 230 kV/115 kV transmission line structure will be necessary in Ortonville, crossing the Minnesota River.

The Big Stone to Granite Falls transmission line will be constructed at 345 kV. Unless different structures are requested by the Partners and authorized by the Plan and Profile procedures in this permit as specified below in Section IV, the Partners are authorized to use H-frame steel or wood structures for the 345 kV transmission line and single pole structures as required. The structures will be between 80 to 120 feet in height with an average span of 800 feet. The conductor is proposed to be bundled (two conductors) 1272 SCSR or bundled 954 ACSS for each phase. The ROW for this 345 kV line will be 150 feet. A short 230 kV segment will run from Hazel Township to the Granite Falls Substation.

III. DESIGNATED ROUTE AND SUBSTATION SITES

A. The 230 kV High Voltage Transmission Line.

The route designated by the PUC is described below and shown on the maps in Attachment B to this Permit. The approved route extends from the South Dakota Border at Ortonville and proceeds east to the Morris Substation, including:

• a new 230 kV transmission line from the Big Stone Plant to Ortonville, Minnesota, two miles of which are located in Minnesota;

• the rebuild of an existing 115 kV transmission line to 230 kV from Ortonville, Minnesota, to the Johnson Junction Substation located in Johnson, Minnesota (approximately 25 miles), and then from the Johnson Junction Substation to the Morris substation near Morris, Minnesota (approximately 16 miles) and the removal of about 1.2 miles of 115 kilovolt transmission line from the Ortonville substation.

As defined in the maps in Appendices B.1-B.3 of the Environmental Impact Statement, the approved route consists of the following route segments in Minnesota: **M1, M2, M3, M5, M7, M9, M10 and M17.** The final approved route is also shown in Maps 1-3, attached to this permit. Except as modified in the Special Conditions, Section V of this Permit, the route has an allowed corridor width of 1000 feet on either side of the route centerline to allow the Partners final right-of-way design flexibility.

B. The 345 kV High Voltage Transmission Line.

The route designated by the PUC is described below and shown on the maps in Attachment B to this Permit.

• a new line capable of operating at 345 kV approximately 14 miles long crossing the Minnesota-South Dakota border due west of Canby and running to the Canby Substation;

• the rebuild of an existing 115 kV transmission line from Canby, Minnesota, to Granite Falls, Minnesota (approximately 30 miles) designed and capable of operating at 345 kV, but which would operate at 230 kV initially. For approximately nine miles from Hazel Run Township to Granite Falls, the line will be constructed to 230 kV standards. The line will terminate at the Granite Falls Substation.

As defined in the maps in Appendices B.9-B.16 of the Environmental Impact Statement, the approved route consists of the following route segments in Minnesota: **G14, G15A, G15B, G17, G21, G30, G31, G33A, G33B, G34A, G34B, G39, G45, G49, G50 and G53.** The final approved route is also shown in Maps 4-6, attached to this permit. Except as modified in the Special Conditions, Section V of this Permit, the route has an allowed corridor width of 1000 feet on either side of the route centerline to allow the Partners final right-of-way design flexibility.

C. Modifications at the Johnson Junction Switch Station and Modifications and Relocation of the Canby Substation

A new substation to accommodate the 230 kV Morris transmission line will be constructed adjacent to the Johnson Junction switch station on approximately four acres directly south of the existing fenced area. The new Johnson Junction Substation will include a new 3-breaker ring-bus, 3-phase 230/115 kV transformer, 115 kV breaker, control house for relaying and fencing to enclose the yard. The location of the new substation is portrayed in Map 7 attached.

Modifications to the Canby Substation include a new 230 kV 3-position ring-bus, 3-phase 230/115/41.6 kV transformer, 115 kV breakers, control house for relaying and fencing to enclose the yard. A 345/115/41.6 kV transformer will replace the 230/115/41.6 kV transformer when the Granite Falls transmission line is re-energized at 345 kV. The substation will be relocated approximately one mile northeast of the existing facility along U.S. Highway 75 in the SW ¼ of the SW ¼ of Section 19 of Oshkosh Township in order to move the substation out of the floodplain. The new substation location is portrayed in Map 8 attached.

Modifications at the termini at the Morris and Granite Falls substations fall under the jurisdiction of the Western Area Power Administration and are not addressed under this permit.

IV. GENERAL CONDITIONS

The Permittees shall comply with the following conditions during construction of the transmission line and associated facilities and the life of this Permit.

A. Plan and Profile. At least 14 days before right-of-way preparation for construction begins, the Permittees shall provide the PUC with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration for the transmission line and the substation site. The Permittees may not commence construction until the 14 day period has expired or until the PUC has advised the Permittees in writing that it has completed its review of the documents and determined that the planned construction is consistent with this permit. If the Permittees intends to make any significant changes in its plan and profile or the specifications and drawings after submission to the PUC, the Permittees shall notify the PUC at least five days before implementing the changes. No changes shall be made that would be in violation of any of the terms of this permit.

B. Construction Practices.

1. **Application.** The Permittees shall follow those specific construction practices and material specifications described in the Permit Application to the Minnesota Public Utilities Commission for a Route Permit for the Big Stone Transmission Project dated December 9, 2005, PUC Docket E017, et al./TR-05-1275, unless this Permit establishes a different requirement in which case this Permit shall prevail.

2. **Field Representative.** At least ten days prior to commencing construction, the Permittees shall advise the PUC in writing of the person or persons designated to be the field representative for the Permittees with the responsibility to oversee compliance with the conditions of this Permit during construction. This person's address, phone number, and emergency phone number shall be provided to the PUC, which may make the information available to local residents and public officials and other interested persons. The Permittees may change the field representative at any time upon written notice to the PUC.

3. **Cleanup.** All waste and scrap that is the product of construction shall be removed from the area and properly disposed of upon completion of each task. Personal litter, including bottles, cans, and paper from construction activities shall be removed on a daily basis.

4. **Vegetation Removal.** The Permittees shall minimize the number of trees to be removed as part of the construction of the line, taking into account Permit Condition IV.H.1, which recognizes that the Permittees have obligations to comply with clearance requirements.

5. **Erosion Control.** The Permittees shall implement reasonable measures to minimize runoff during construction and shall plant or seed non-agricultural areas that were disturbed where structures are installed. Upon request, the Permittees shall submit to the PUC a copy of any Soil Erosion and Sediment Control Plan prepared for the Minnesota Pollution Control Agency as part of a storm-water runoff permit application.

6. **Temporary Work Space.** The Permittees shall limit temporary easements to special construction access needs and additional staging or lay-down areas required outside of the authorized right-of-way.

7. **Restoration.** The Permittees shall restore all temporary work spaces, access roads, and other private lands affected by construction of the transmission line. Restoration must be compatible with the safe operation, maintenance, and inspection of the transmission line. Within sixty days after completion of all restoration activities, the Permittees shall advise the PUC in writing of the completion of such activities.

8. **Notice of Permit.** The Permittees shall inform all employees, contractors, and other persons involved in the construction of the transmission line of the terms and conditions of this Permit.

C. Periodic Status Reports. Upon request, the Permittees shall report to the PUC on progress regarding finalization of the route, design of structures, and construction of the transmission line. The Permittees need not report more frequently than quarterly.

D. Complaint Procedure. Prior to the start of construction, the Permittees shall submit to the PUC the company's procedures to be used to receive and respond to complaints. The procedures shall be in accordance with the requirements set forth in Exhibit 1 attached to this Permit.

E. Notification to Landowners. The Permittees shall provide all affected landowners with a copy of this Permit at the time of the first contact with the landowners after issuance of this Permit.

F. Drain Tile Restoration Plan. Prior to the start of construction, the Permittees shall submit to the PUC its procedures for minimizing drain tile damage during construction and operation and restoration policies. Permittees must submit the Drain Tile Restoration Plan to the PUC for review prior to beginning construction as described in Permit General Conditions, Section IV.A, above.

G. Completion of Construction.

1. **Notification to PUC.** At least three days before the line is to be placed into service, the Permittees shall notify the PUC of the date on which the line will be placed into service and the date on which construction was complete.

2. **As-Builts.** Within 180 days of completion of the project, the Permittees shall submit copies of all the final as-built plans and specifications developed during the project.

3. **GPS Data.** Within sixty days after completion of construction, the Permittees shall submit to the PUC, in the format requested by the PUC, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for all above ground structures associated with the transmission lines and each substation connected.

H. Electrical Performance Standards.

1. **Grounding.** The Permittees shall design, construct, and operate the transmission line in such a manner that the maximum steady-state short-circuit current shall be limited to five milliamperes rms alternating current between the ground and any non-stationary object within the right-of-way including but not limited to, large motor vehicles and agricultural equipment. All fixed metallic objects on or off the right-of-way, except electric fences that parallel or cross the right-of-way, shall be grounded to the extent necessary to limit the short circuit current between ground and the object so as not to exceed one milliampere rms under steady state conditions of the transmission line and to comply with the ground fault conditions specified in the National Electric Safety Code.

2. **Electric Field.** The transmission line shall be designed, constructed, and operated in such a manner that the electric field measured one meter above ground level immediately below the transmission line shall not exceed 8.0 kV/m rms.

3. **Interference with Communication Devices.** If interference with radio or television, satellite or other communication devices is caused by the presence or operation of the transmission line, the Permittees shall take whatever action is prudently feasible to restore or provide reception equivalent to reception levels in the immediate area just prior to the construction of the line.

I. Other Requirements.

1. **Applicable Codes.** The Permittees shall comply with applicable North American Electric Reliability Council (NERC) planning standards and requirements of the National Electric Safety Code (NESC) including clearances to ground, clearance to crossing utilities,

clearance to buildings, right-of way widths, erecting power poles, and stringing of transmission line conductors.

2. **Other Permits.** The Permittees shall comply with all applicable state rules and statutes. The Permittees shall obtain all required permits for the project and comply with the conditions of these permits. A list of the required permits is included in the permit application and the environmental impact statement. The Permittees shall submit a copy of such permits to the PUC upon request.

3. **Pre-emption.** Pursuant to Minnesota Statutes section 216E.10, subdivision 1, this Site Permit shall be the sole route and substation site approval required to be obtained by the Permittees for construction of the facilities and this Permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

J. Delay in Construction. If the Permittees has not commenced construction or improvement of the route within four years after the date of issuance of this Permit, the PUC shall consider suspension of the Permit in accordance with Minnesota Rule 7849.5970.

V. SPECIAL CONDITIONS

1. Permanent Right-of-Way Acquisition:

    a. The Permittees are granted up to 125 feet of right-of-way when the 230 kV transmission line does not parallel or utilize existing highway right-of-way. Where the transmission line parallels local, county or state roadways, the Permittees are granted up to 82.5 feet of right-of-way for the 230 kV HVTL outside the roadway right-of-way.

    b. The Permittees are granted up to 150 feet of right-of-way when the 345 kV transmission line does not parallel or utilize existing highway right-of-way, including those portions of the route where the line is to be double circuited with an existing line. Where the transmission line parallels local, county or state roadways, the Permittees are granted up to 98.5 feet of right-of-way for the 345 kV HVTL outside the roadway right-of-way.

2. The route width of 1000 feet on each side of the right-of-way is meant to allow the line to be routed along sections lines and existing roadways and to accommodate routing around certain natural areas. Otherwise, the route should as closely as possible replace the existing lines along the existing right-of-way of the lines being replaced

3. Permittees are authorized to construct one mile of new 115 kV transmission line to accommodate the relocation of the Canby Substation one mile to the northeast, while removing approximately one mile of existing 115 kV transmission line. The alignment must be submitted with the Plan and Profile (Section IV. A) for final approval before construction.

4. The Partners are required to designate an environmental inspector for this Project to ensure compliance with the permit conditions.

5. The Permittees must consult with the Department of Natural Resources Area Wildlife Manager along the 230 kV line along segment M3, as portrayed in Appendix B.3 of the EIS. Avian Flight Diverters should be employed along the segment up to Highway 21 due to the presence of a primary migratory flight corridor along the chain of wetlands, lakes and native grasslands in this area.

6. The Permittees must comply with the recommendation of the Department of Natural Resources along the 345 kV line to remove the pole(s) currently in the wetland on Lanners WMA and replace them with new poles appropriately spaced to span this open water area.

VI. PERMIT AMENDMENT

This permit may be amended at any time by the PUC or authorized successor agency of the State of Minnesota. Any person may request an amendment of this permit by submitting a request to the PUC in writing describing the amendment sought and the reasons for the amendment. The PUC will mail notice of receipt of the request to the Permittees. The PUC may amend the permit after affording the Permittees and interested persons such process as is required.

VII. PERMIT TRANSFER

The Permittees may request at any time that the PUC transfer this permit to another person or entity. The Permittees shall provide the name and description of the person or entity to whom the permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the PUC with such information as the PUC shall require to determine whether the new Permittee(s) can comply with the conditions of the permit. The PUC may authorize transfer of the permit after affording the Permittees, the new Permittee(s), and interested persons such process as is required.

VIII. REVOCATION OR SUSPENSION OF THE PERMIT

The PUC may initiate action to revoke or suspend this permit at any time. The PUC shall act in accordance with the requirements of Minnesota Rules part 4400.3950 to revoke or suspend the permit.

PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR
HIGH VOLTAGE TRANSMISSION LINES

1. Purpose

To establish a uniform and timely method of reporting complaints received by the permittee concerning the permit conditions for site preparation, construction, cleanup and restoration, special conditions, other requirements, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the permittee.

4. Definitions

Complaint – A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of the high voltage transmission line and associated facilities. Complaints do not include requests, inquiries, questions or general comments.

Telephone Complaint – A person presenting a complaint by telephone shall indicate whether the complaint relates to (1) a substantive routing permit matter, (2) a high voltage transmission line location matter, or (3) a compensation matter. All callers must provide the following information when presenting a complaint by telephone: (1) name; (2) date and time of call; (3) phone number; (4) email address (if available); (5) home address; (6) parcel number.

Substantial Complaint – Written complaints alleging a violation of a specific route permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person – An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with any phase of the high voltage transmission line is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore necessary to establish a uniform method for documenting and handling complaints related to this high voltage transmission line project. The following procedures will satisfy this requirement:

A. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Name of the permittee and project.
2. Name of complainant, address and phone number.
3. Precise property description or tract numbers (where applicable).
4. Nature of complaint.
5. Response given.
6. Name of person receiving complaint and date of receipt.
7. Name of person reporting complaint to the PUC and phone number.
8. Final disposition and date.

B. The permittee shall assign an individual to summarize complaints for transmittal to the PUC.

6. Requirements

The permittee shall report all complaints to the PUC according to the following schedule:

Immediate Reports – All substantial complaints shall be reported to the PUC by phone or by e-mail the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to high voltage transmission line permit compliance at the following: DOC.energypermitcompliance@state.mn.us or 1-800-657-3794. Voice messages are acceptable.

Monthly Reports – By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month. Such summaries shall be sent to Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, Metro Square Building, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147. A copy of each complaint shall be sent to Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

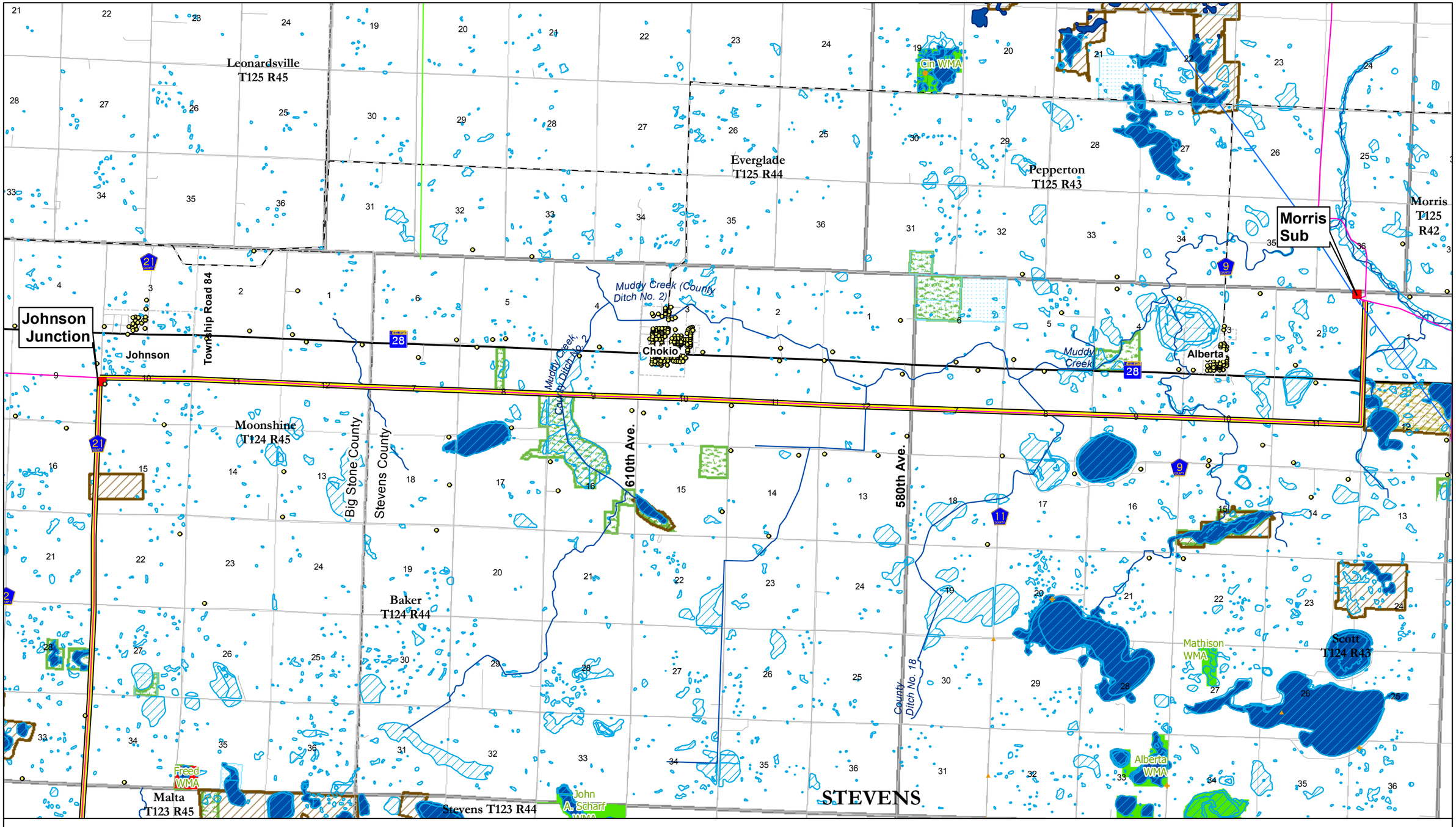
Unresolved Complaints – The permittee shall submit all unresolved complaints to the PUC for resolution by the PUC, where appropriate, no later than 45 days after the date of the submission.

7. Complaints Received by the PUC

Copies of complaints received directly by the PUC from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the permittee.

Initial Screening – Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantive routing permit issues shall be processed and resolved by the Commission. Staff shall notify permittee and the complainant if it determines that the complaint is a substantial complaint. With respect to such complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the staff notification. Staff shall present briefing papers to the Commission, which shall resolve the complaint within twenty days of submission of the briefing papers.

Condemnation/Compensation Issues – If the Commission's staff initial screening determines that a complaint raises issues concerning the just compensation to be paid to landowners on account of permittee acquisition of high voltage transmission line easements, staff shall recommend to the Executive Secretary that the matter be resolved under the provisions of Minnesota Statutes, Chapter 117. If the Executive Secretary concurs, he shall so report to the Commission and the matter shall be dealt with in the high voltage transmission line condemnation proceedings as an issue of just compensation.



Legend

0 750 1,500 3,000 Feet

Granite Falls 345 kV Route
Existing Substations
Occupied Houses
Center Pivot Irrigation
Snowmobile Trails

Existing Transmission Lines
69 kV
115 kV
230 kV

Field Observed Grassland
Field Observed Prairie

MCBS Data
Moderate Significance
High Significance
Outstanding Significance

State Resource Areas
MN DNR SNA

Mn DNR WMAs
Federal Aid Funded
State Funded
Outside of Project Corridor

Federal Resource Areas
USFWS NWR
USFWS Waterfowl Production Areas

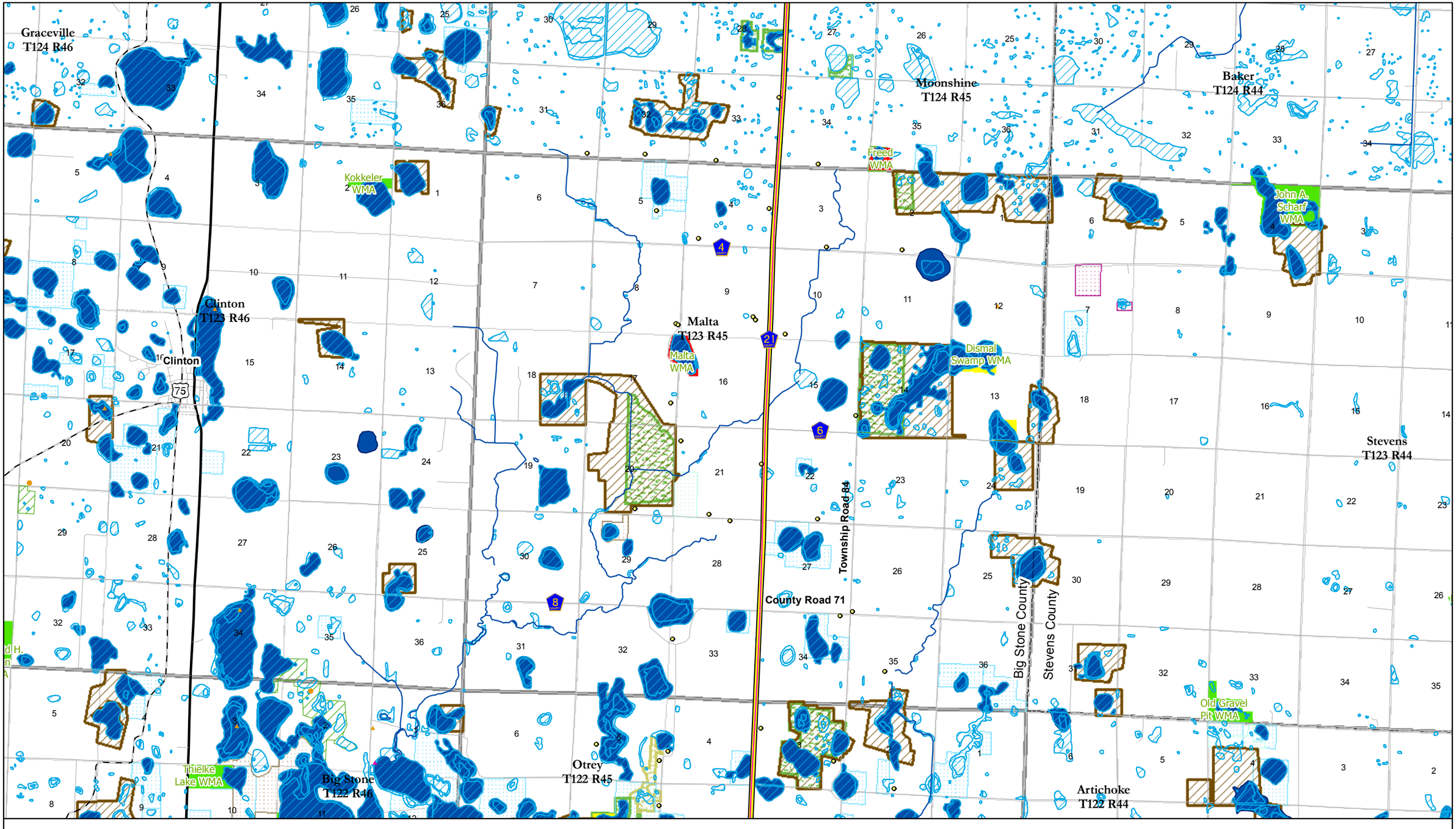
USFWS Easements
Flowage
FmHA
Habitat
Tallgrass
Wetland

NWI Wetlands
PWI Wetlands
PWI Streams

Natural Heritage Data
Animal-State
Vascular Plant-State
Fungus-State
Terrestrial Community-State
Animal-Federal

Data Sources:
MN DNR DataDeli, LMIC, MnDOT
HDR Field Survey

Map 1 Morris Route
DETAILED ROUTE MAP
Big Stone Transmission Project



Legend

0 750 1,500 3,000 Feet

Data Sources:
MN DNR DataDeli, LMIC, MnDOT
HDR Field Survey

- Granite Falls 345 kV Route
- Existing Substations
- Occupied Houses
- Center Pivot Irrigation
- Snowmobile Trails

Existing Transmission Lines
- 69 kV
- 115 kV
- 230 kV

- Field Observed Grassland
- Field Observed Prairie

MCBS Data
- Moderate Significance
- High Significance
- Outstanding Significance

State Resource Areas
- MN DNR SNA

Mn DNR WMAs
- Federal Aid Funded
- State Funded
- Outside of Project Corridor

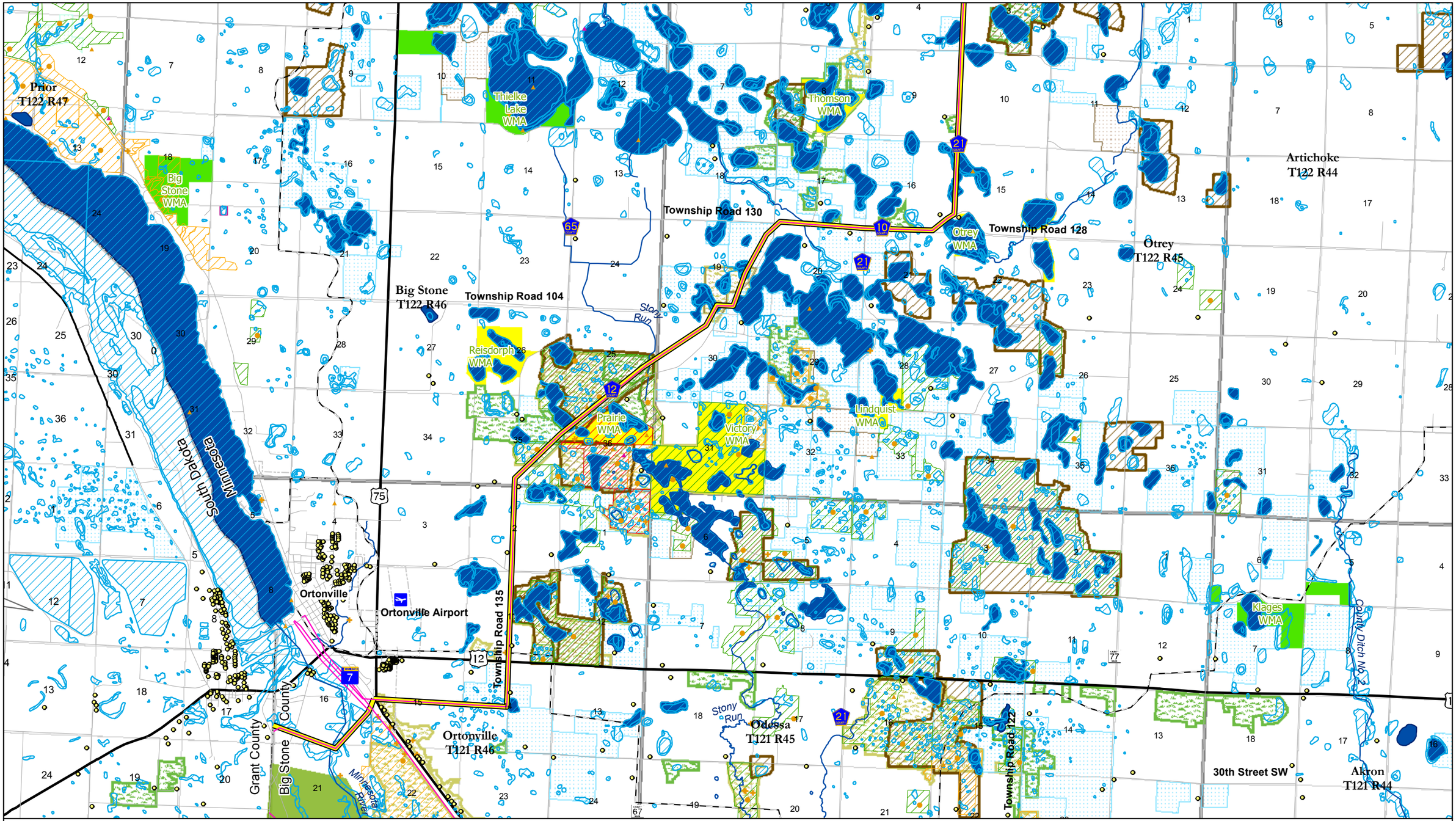
Federal Resource Areas
- USFWS NWR
- USFWS Waterfowl Production Areas

USFWS Easements
- Flowage
- FmHA
- Habitat
- Tallgrass
- Wetland

- NWI Wetlands
- PWI Wetlands
- PWI Streams

Natural Heritage Data
- Animal-State
- Vascular Plant-State
- Fungus-State
- Terrestrial Community-State
- Animal-Federal

Map 2 Morris Route
DETAILED ROUTE MAP
Big Stone Transmission Project



Legend

0 750 1,500 3,000 Feet

Data Sources:
MN DNR DataDeli, LMIC, MnDOT
HDR Field Survey

- Granite Falls 345 kV Route
- Existing Substations
- Occupied Houses
- Center Pivot Irrigation
- Snowmobile Trails

Existing Transmission Lines
- 69 kV
- 115 kV
- 230 kV

- Field Observed Grassland
- Field Observed Prairie

MCBS Data
- Moderate Significance
- High Significance
- Outstanding Significance

State Resource Areas
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Mn DNR WMAs
- Federal Aid Funded
- State Funded
- Outside of Project Corridor

Federal Resource Areas
- USFWS NWR
- USFWS Waterfowl Production Areas

USFWS Easements
- Flowage
- FmHA
- Habitat
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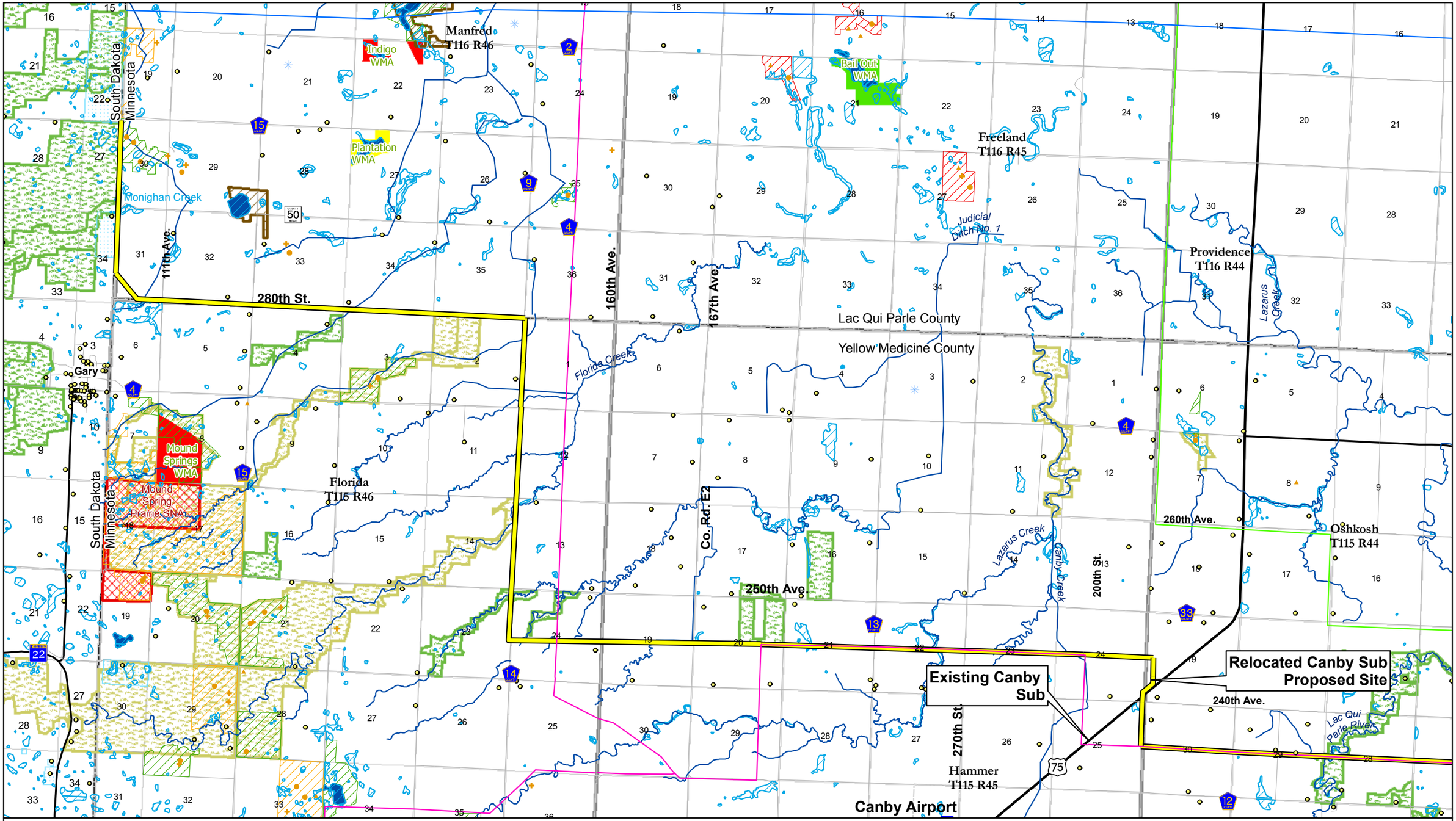
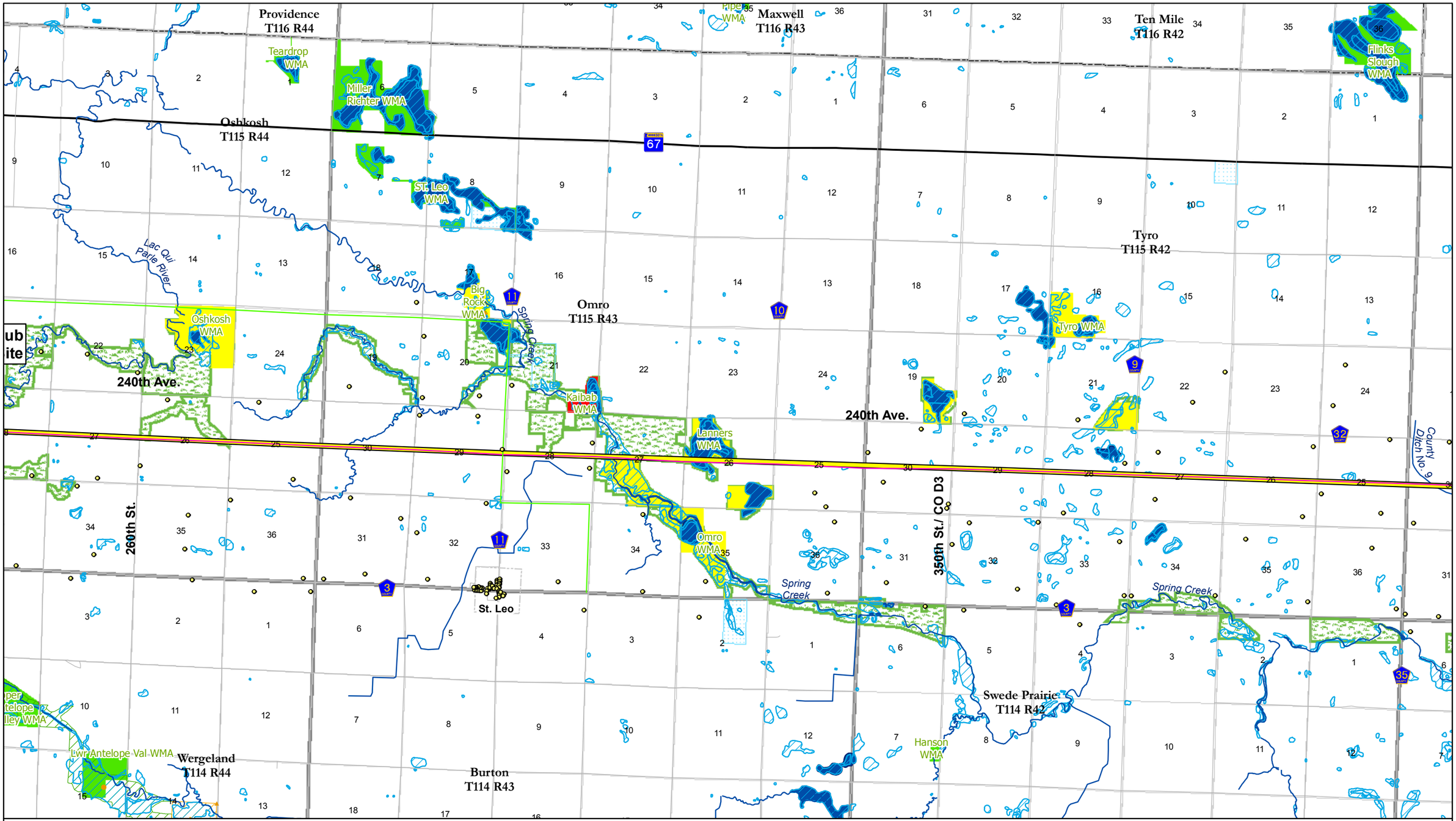
- PWI Streams

Natural Heritage Data
- Animal-State
- Vascular Plant-State
- Fungus-State
- Terrestrial Community-State
- Animal-Federal

Map 3 Morris Route
DETAILED ROUTE MAP
Big Stone Transmission Project



Map 4 Granite Falls Route
DETAILED ROUTE MAP
Big Stone Transmission Project



Legend

0 750 1,500 3,000 Feet

Granite Falls 345 kV Route
Existing Substations
Occupied Houses
Center Pivot Irrigation
Snowmobile Trails

Existing Transmission Lines
69 kV
115 kV
230 kV

Field Observed Grassland
Field Observed Prairie

MCBS Data
Moderate Significance
High Significance
Outstanding Significance

State Resource Areas
MN DNR SNA

Mn DNR WMAs
Federal Aid Funded
State Funded
Outside of Project Corridor

Federal Resource Areas
USFWS NWR
USFWS Waterfowl Production Areas

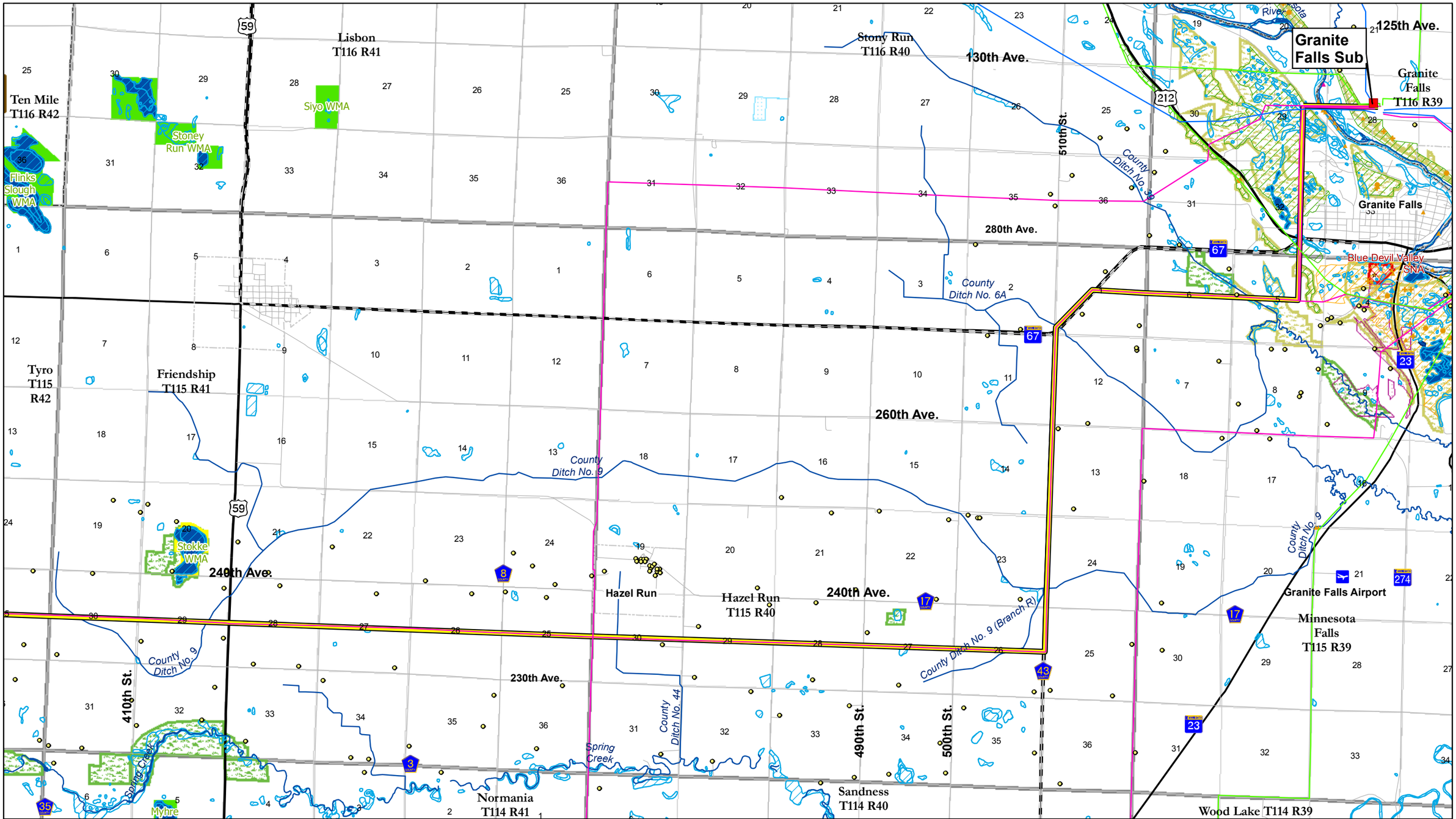
USFWS Easements
Flowage
FmHA
Habitat
Tallgrass
Wetland

NWI Wetlands
PWI Wetlands
PWI Streams

Natural Heritage Data
Animal-State
Vascular Plant-State
Fungus-State
Terrestrial Community-State
Animal-Federal

Data Sources:
MN DNR DataDeli, LMIC, MnDOT
HDR Field Survey

Map 5 Granite Falls Route
DETAILED ROUTE MAP
Big Stone Transmission Project



Legend

- Granite Falls 345 kV Route
- Existing Substations
- Occupied Houses
- Center Pivot Irrigation
- Snowmobile Trails

Existing Transmission Lines

- 69 kV
- 115 kV
- 230 kV

- Field Observed Grassland
- Field Observed Prairie

MCBS Data

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- High Significance
- Outstanding Significance

State Resource Areas

- MN DNR SNA

Mn DNR WMAs

- Federal Aid Funded
- State Funded
- Outside of Project Corridor

Federal Resource Areas

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- USFWS Waterfowl Production Areas

USFWS Easements

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- FmHA
- Habitat
- Tallgrass
- Wetland

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- PWI Wetlands
- PWI Streams

Natural Heritage Data

- Animal-State
- Vascular Plant-State
- Fungus-State
- Terrestrial Community-State
- Animal-Federal

N

0 750 1,500 3,000 Feet

Data Sources:
MN DNR DataDeli, LMIC, MnDOT
HDR Field Survey

Map 6 Granite Falls Route
DETAILED ROUTE MAP
Big Stone Transmission Project

N

0 200 400 Feet

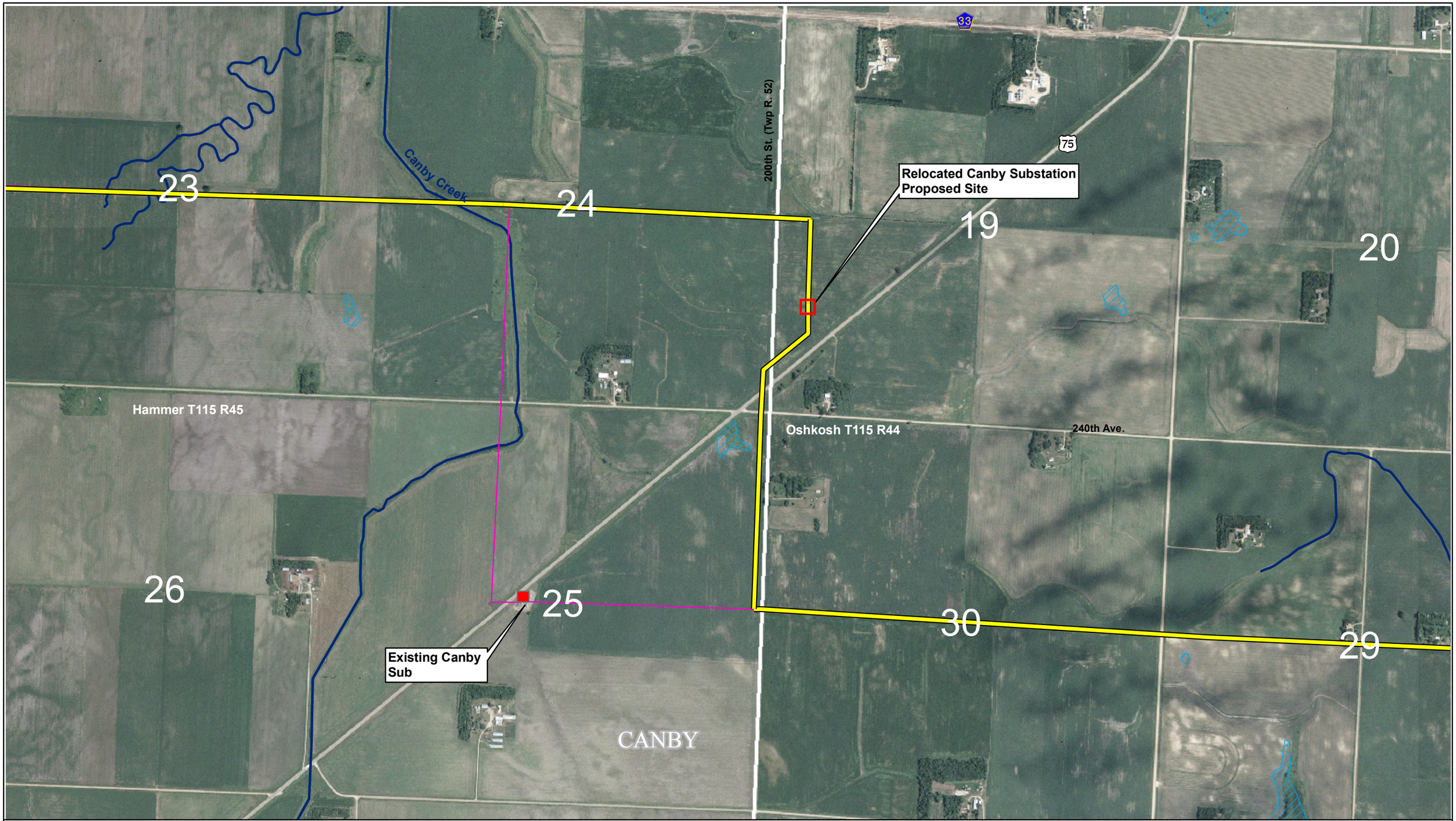
Data Sources:
MN DNR DataDeli, LMIC, MnDOT

Legend

Proposed Morris Route Alignment

115 kV Transmission Line

Map 7 Johnson Junction Substation
DETAILED LOCATION MAP
Big Stone Transmission Project



Legend

- Granite Falls 345 kV Route
- Existing Substations
- *Existing Transmission Lines*
  - 69 kV
  - 115 kV
  - 230 kV
- Center Pivot Irrigation
- NWI Wetlands
- PWI Wetlands
- PWI Streams

Data Sources: MN DNR DataDeli, LMIC, MnDOT, HDR Field Survey

0 750 1,500 3,000 Feet

Map 8 Canby Substation Interconnection

DETAILED LOCATION MAP

Big Stone Transmission Project