SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made by and between Northern States Power Company – Minnesota ("NSPM"), Northern States Power Company - Wisconsin ("NSPW"), Dairyland Power Cooperative ("DPC"), the City of St. Croix Falls, a Wisconsin Municipal Corporation, the City of Taylors Falls, a Minnesota Municipal Corporation, (collectively, "the Parties").

RECITALS

WHEREAS, the Public Service Commission of Wisconsin ("PSCW") has issued NSPW and DPC a Certificate of Public Convenience and Necessity (the "CPCN") in PSCW Docket Nos. 4220-CE-155 and 1515-CE-102 to construct, among other things, a double-circuit 230 kV electric transmission line near and/or through the City of St. Croix Falls, and to replace the existing 69kV electric transmission line through that city.

WHEREAS, the construction authorized by the CPCN is part of a proposed electric transmission project that includes the construction of electric transmission facilities in the City of Taylors Falls and elsewhere in Chisago County, Minnesota (collectively, the "Project").

WHEREAS, NSPM and DPC have applied to the Minnesota Environmental Quality Board ("MEQB") in Docket No. NSP-TR-4 for authorization to construct and designate a route for Project facilities in Minnesota, and such application is currently pending before the MEQB.

WHEREAS, the MEQB set the Project proposal for a contested case hearing pursuant to Minn. Stat. 14.57 et seq., and the contested case proceeding is pending before an Administrative Law Judge designated by the Office of Administrative Hearings ("OAH") in OAH Docket No. 7-2901-11843-2.

WHEREAS, the Administrative Law Judge in OAH Docket No. 7-2901-11843-2 set the contested case for a voluntary mediation process to seek to resolve the disputed issues in the contested case.

WHEREAS, certain of the Project facilities of NSPM and NSPW would be constructed within the St. Croix River National Scenic Riverway established by and granted certain protections by the National Wild and Scenic Rivers Act, 16 U.S.C. § 1271 et. seq.

WHEREAS, Minn. Rules Ch. 6105 et. seq. encourage the preservation of the scenic and recreational resources of the Saint Croix Riverway, especially in regard to the view from and use of the river.

WHEREAS, there are currently pending in the Circuit Court of Polk County, Wisconsin consolidated petitions for review, Case Nos. 99-CV-236 and 99-CV-242, in which St. Croix Falls and the Concerned River Valley Citizens are seeking judicial review of the CPCN pursuant to Ch. 227 Wis. Stats. (collectively, the "State Actions").

WHEREAS, as a result of the mediation process ordered by the OAH Administrative Law Judge and through ongoing associated settlement negotiations, the Parties agree that an alternative to the Project as approved by the PSCW and as pending before the MEQB would meet the goals of providing for the electric supply and reliability needs of NSPW, NSPM, and DPC customers, would address concerns raised in Project proceedings before the MEQB and PSCW, and would facilitate resolution of all contested matters between any of the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and recitals contained herein, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. SUPPORT FOR ALTERNATIVE PROJECT: The Parties shall, consistent with the terms and conditions set forth below, support, facilitate, and advocate approval by all necessary governmental authorities of construction of a 161 kV transmission line running from the NSPM Chisago County substation to a newly constructed NSPM Lawrence Creek substation, continuing through the Cities of Taylors Falls and St. Croix Falls, and terminating at the DPC Apple River substation in Polk County, Wisconsin, and the upgrade of the existing 69 kV line to 115 kV from the Arden Hills Substation to a newly constructed Lawrence Creek Substation and as further described herein (the "Line").

2. WITHDRAWAL OF APPLICATIONS PENDING BEFORE MEQB: Within 30 days of the execution of this Agreement by all of the Parties, NSPM and DPC shall file with the Administrative Law Judge in MEQB Docket No. NSP-TR-4 a motion asking the Administrative Law Judge to (a) issue an order terminating the contested case proceeding in MEQB Docket No. NSP-TR-4, and (b) issue a recommended decision to the MEQB to allow Applicants to unilaterally withdraw the application pending in MEQB Docket No. NSP-TR-4.

3. STEERING COMMITTEE: A Steering Committee consisting of one representative of each Party shall be formed to: 1) ensure effective communication between the Parties regarding the Parties' performance of this Agreement; 2) share information between the Parties regarding the Applicants' preparation of the documents that must be submitted to regulatory and governmental authorities in order to secure approval for construction of the Line; and 3) strive to achieve consensus among the Parties.

4. TIMING OF APPLICATIONS AND RELATED SUBMISSIONS: NSPM, NSPW, and DPC (collectively, the "Applicants") shall make good faith efforts to submit applications for construction of the Line to the necessary state and local approval authorities in Minnesota and Wisconsin no later than 180 days after the Circuit Court for Polk County, Wisconsin, dismisses the State Actions. The Parties agree that in lieu of an application, DPC and NSPW may submit to the PSCW a petition to reopen PSCW Docket Nos. 4220-CE-155 and

1515-CE-102 for the purposes of modifying the CPCN to approve the construction of that portion of the Line over which the PSCW has jurisdiction. To the extent that no hearing is required under Wisconsin law for the PSCW to approve construction of the line, the Parties agree that none of the Parties shall request a hearing. Where statute or administrative rule requires one or more of the Applicants to make pre-application submissions to any governmental or regulatory body, Applicants shall make good faith efforts to submit such submissions not later than 120 days after the Circuit Court for Polk County dismisses the State Actions. Where such pre-application submissions are made, Applicants shall make good faith efforts to submit their construction applications not later than 60 days after the pre-application submissions are made, unless a longer period is required by rule or statute.

5. DISMISSAL OF JUDICIAL REVIEW ACTION: In consideration and upon the execution of this Agreement by all Parties, the State Action 99-CV-236 shall be dismissed with prejudice by the immediate execution and filing of document in the form set forth in Exhibit A.

6. RELEASE: Each of the Parties (including each of their past and present officers, agents, directors, employees, successors, assigns and affiliates) hereby mutually releases and forever discharges each of the other Parties (including each of their past and present officers, agents, directors, employees, successors, assigns and affiliates), of and from all existing or potential claims, demands, liabilities and obligations arising out of or relating in any way to claims, allegations, or defenses asserted in or concerning any action or proceeding of any kind brought or pending since June 11, 1999 and also of and from claims, demands, liabilities and obligations arising out of or relating in any way to PSCW Docket Nos. 4220-CE-155 and 1515-CE-102, MEQB Docket No. NSP-TR-4 and Minnesota Office of Administrative Hearings Docket No. 7-2901-11843-2. Notwithstanding the foregoing, the Parties do not release any rights created under this Agreement and are not relieved of any obligations set forth in this Agreement.

7. CONFIGURATION: The Applicants will propose and each of the Parties will advocate before the necessary approval authorities:

(a) that the Line utilize, to the fullest extent possible, existing overhead electrical right-of-way corridors.

(b) that the 69 kV NSPM line from NSPM Arden Hills Substation to a newly constructed NSPM Lawrence Creek Substation be upgraded to 115 kV.

(c) that the NSPM transmission line exiting the NSPM Chisago County Substation be constructed as a double circuit 161 kV transmission line utilizing the existing north/south right-of-way, using poles that are substantially similar to those currently in use.

(d) that west of the City of Lindstrom, Minnesota, the Line be constructed as a single circuit 161 kV transmission line utilizing the existing 69 kV corridor, and that the Line continue on the existing 69 kV corridor across Chisago County to a point just west of County Road 20 in the City of Taylors Falls.

(e) that the Line transition from overhead construction to underground construction on the existing right of way at a point just west of County Road 20 in the City of Taylors Falls, Minnesota, and that such underground construction continue east through the City of Taylors Falls to the existing dam facility on the St. Croix River, so that consistent with the policy goals of the National Wild and Scenic Rivers Act, 16 U.S.C. 1271 et. seq. and Minn. Rules C. 6105 et seq., the Minnesota portion of the Line within the St. Croix Scenic Riverway is constructed underground.

(f) that, because it is not technically feasible to construct underground facilities beneath the St. Croix River in the area of the St. Croix River dam, the Line cross the St. Croix River via a bundled-conductor single-circuit overhead crossing at the dam, replacing the existing four NSPM/NSPW circuits that cross the River at that location, and transitioning to underground construction at the NSPW St. Croix Falls substation.

(g) that underground construction continue through the City of St. Croix Falls to DPC's Border substation, utilizing the Louisiana - Blanding Woods Road route approved by the PSCW order granting the CPCN, so that consistent with the policy goals of the National Wild and Scenic Rivers Act 16 U.S.C. 1271 et seq., the Wisconsin portion of the Line within the St. Croix Scenic Riverway is constructed underground.

(h) that, between the DPC Border Substation and the DPC Apple River Substation, the Line be double circuited with DPC's existing 69 kV facilities.

(i) that, between DPC's Border Substation and DPC's Sand Lake Substation, the Line be constructed along the route primarily following DPC's existing 69 kV corridor, which route was considered by the PSCW in the CPCN proceedings.

(j) that, between DPC's Sand Lake Substation and DPC's Apple River Substation, the Line be constructed utilizing the South – USH8 route approved by the PSCW order granting the CPCN.

(k) that the route of the Line completely avoid the D.D. Kennedy Environmental Area and the Garfield Recreational Area, and that the existing DPC transmission line through those areas be removed.

(l) that transition structures known as "potheads" rather than transition stations be used in transition between underground and aboveground construction.

(m) that bundled "795" conductors be used for the Line.

8. <u>POLES:</u>

(a) Unless otherwise recommended by local land use process, consensus of affected landowners, or technical feasibility, Applicants shall propose and

the Parties shall advocate before the necessary approval authorities the use of single wood poles along the aboveground portions of the Line's route except for those portions of the route that, pursuant to §§ 7(c) and 7(h) above, the Parties have agreed to propose and advocate as double circuited.

(b) For that portion of the route pursuant to § 7(c) will be double-circuited, Applicants shall propose and the Parties shall advocate before the necessary approval authorities the use of steel poles.

(c) For that portion of the route that, pursuant to § 7(h) will be double circuited, DPC shall determine, prior to submitting its application in Wisconsin, whether to propose the use of laminated wood or steel poles or a combination thereof between the Border and Apple River Substations taking into consideration technical feasibility, land use impacts, economic issues and acceptability to landowners.

9. RECOVERY OF INCREMENTAL COSTS OF UNDERGROUND CONSTRUCTION: The Parties' agreement in §§ 7(e), 7(f), and 7(g) to propose and advocate underground construction of certain portions of the Line is made in recognition of the unique character of the St. Croix National Wild and Scenic Riverway, and the proposed crossing area of the Riverway, which is located in the Cities of Taylors Falls and St. Croix Falls, that are bordered respectively on both the North and South by State Parks and a nationally designated Wild and Scenic Riverway. The Parties agree that the underground construction within the River Valley areas in the Cities of Taylors Falls and St. Croix Falls (other than the river crossing at the dam) is consistent with 16 U.S.C. 1271 et seq., Minn. Rules Chap. 6105 et seq., the PSCW CPCN Order, the National Electric Safety Code and good utility practice, and is therefore prudent. However, with respect to the portion of the Line anticipated to be underground from the NSPW St. Croix Falls substation to the DPC Border Substation, NSPW will not become obligated to construct any underground facilities unless there is a source of cost recovery for such construction that is authorized in a final non-appealable order of the PSCW. NSPW shall, in its application to the PSCW, seek a determination by the PSCW that underground construction of the Line as contemplated in § 7(f) above is in the public interest. If the PSCW finds that underground construction as contemplated in § 7(f) above is not in the public interest, then NSPW, with the full support and participation of the Cities of St. Croix Falls and Taylors Falls, will appeal that determination to the fullest extent allowed by law. In addition, before any construction of the Line begins, NSPM may seek an MPUC order pursuant to Minn. Stat. 216B.10, or other applicable statute, finding that underground construction of the Line in the City of Taylors Falls as provided in § 7(e) is consistent with the public interest and the NSPM general rates on file with the MPUC. No party shall oppose the NSPM filing. If the MPUC does not grant the requested finding, then NSPM, with the full support and participation of the Cities of Taylors Falls and St. Croix Falls, will appeal that determination to the fullest extent allowed by law. If NSPM chooses not to make such a filing before construction of the Line begins, then NSPM will proceed with the underground construction of the Line as provided in § 7(e) and may seek recovery of related costs through its general rates in a subsequent rate proceeding.

10. FUTURE UNDERGROUNDING OF RIVER CROSSING: If the dam located between the Cities of St. Croix Falls and Taylors Falls on the St. Croix River is removed or significantly reconstructed so as to disturb the river bottom, NSP will make application to the requisite regulatory and governmental bodies to secure approval for placing that portion of the Line crossing the St. Croix River underground subject to the necessary regulatory approvals and technical feasibility.

11. REMOVAL OF UNUSED FACILITIES: Applicants will propose, and the Parties will advocate, the removal of the unused facilities that will result from the construction of the Line. The Parties acknowledge and accept that there will be no removal of facilities until the Line is approved and constructed. These facilities include: 3 circuits at the river crossing at the site of the dam; all aboveground transmission and distribution lines down the slope immediately west of the dam and Trunk Highway 95 in the City of Taylors Falls; the 69 kV north/south line currently above ground on Main Street/Washington Street/Highway 87 in the City of St. Croix Falls, and through Interstate Park; the existing 69 kV line from Garfield Substation to the Apple River Substation.

12. RELINQUISHMENT OF UNUSED TRANSMISSION EASEMENTS: After obtaining all necessary approvals for construction of the Line, NSP shall accomplish each of the following:

(a) Relinquish any NSP transmission easement that was reserved in property transfers to the National Park Service, to the extent that such easement might have been used for the proposed north river crossing;

(b) Relinquish any unused NSP transmission easement along the City of Taylors Falls slope;

(c) Relinquish any NSP transmission easement for the 69 kV line in the City of St. Croix Falls, once that 69 kV line is removed, subject to NSP's retention of any easement needed for distribution lines in City of St. Croix Falls; and

(d) Relinquish any NSP transmission easement for the 69 kV line in Interstate Park, once that 69 kV line is removed, subject to NSP's retention of any easement needed for NSP distribution lines.

NSP shall relinquish any easement within the scope of this § 12 to the underlying property owner of the affected parcel. NSP shall not be obligated to transfer any easements under this § 12 to the extent that such transfer would be inconsistent with any legal requirements relating to NSP's merger with New Century Energies, Inc. that limit NSP's ability to effect such transfers. NSP and the City of St. Croix Falls shall work in good faith to develop a mutually agreeable plan for the removal of NSP's utility poles from that portion of Washington Street in the City of St. Croix Falls from a point starting immediately north of Highway 8 and ending at the point where the existing transmission line first departs Washington Street in the direction of the fish hatchery.

After obtaining all necessary approvals for construction of the Line, DPC shall relinquish to the underlying property owner any transmission easement between the Garfield Substation and the Apple River Substation after the existing 69 kV line between those Substations is removed.

Neither Applicant shall be obligated to relinquish any easement under this § 12 to the extent such transfer conflicts with or is inconsistent with any pre-existing legal rights relating to any of the parcels affected by this § 12.

13. PROJECT MITIGATION FUND AND COMMITTEE: Upon commencement of construction of the Line, NSPM and NSPW will make available $400,000 to be spent during or after construction of the Line on improvements in the River Valley that are intended to offset or mitigate the impacts of the Line (the "Project Mitigation Fund"). Expenditures from the Project Mitigation Fund will be made only by unanimous consent of a Project Mitigation Fund Committee consisting of one representative of NSP, one representative of the City of Taylors Falls, and one representative of the City of St. Croix Falls. As an additional St. Croix River Valley improvement measure, NSPW will, upon execution of this Agreement, immediately execute the document attached as Exhibit B hereto, which conveys, under the terms and conditions contained therein, an option to the City of St. Croix Falls to purchase certain NSP lands on or near the St. Croix River. Upon execution of Exhibit B hereto, NSPW shall execute the Testing Agreement attached hereto as Exhibit B1.

14. IMPROVEMENT OF HYDRO FACILITY APPEARANCE: The Cities of St. Croix Falls and Taylors Falls (the "Cities") and NSPW shall work in good faith to develop a mutually agreeable plan to improve the aesthetics of NSPW's hydroelectric related facilities at the Cities of St. Croix Falls and Taylors Falls, and to develop a plan with the Cities to finish or refinish other visible components of the hydroelectric related buildings to present an appearance more compatible with the historic and natural setting. The resultant plan and related costs are separate from any expenditure out of the Project Mitigation Fund. Upgrades may include the replacement of existing security fencing with wooden, or primarily wooden, fencing, and replacement of all siding and building components on dam related facilities with wooden siding and historically and aesthetically harmonized building components to be stained and finished to present a natural wooden appearance.

15. SEASONAL MOVEMENT OF BOOM: Two steel cable barriers are located immediately upstream from the dam on the St. Croix River near the City of St. Croix Falls ("the Boom"). NSPW agrees to construct a new anchor point for the Boom downstream from its current site at a location immediately south of Massachusetts Street in the City of St. Croix Falls. Following construction of the new anchor point, NSPW shall annually, on or about May 1, move the Boom from its original anchor point to the new anchor point in order to facilitate use of a dock that the City of St. Croix Falls would like to place in that location. NSPW shall annually, on or about October 15, move the Boom from the new anchor point to the original anchor point. NSPW shall complete construction of the new anchor point by December 31, 2000. The City of St. Croix Falls agrees to amend its ordinances as necessary to accommodate both the original and new anchor points, and convey to NSPW the right to access the new anchor point. The City of St. Croix Falls agrees to make available a minimum of $20,000.00 for design, engineering and construction of a dock at this location, and to make reasonable, diligent and good faith efforts to complete design and engineering of the dock within 46 days of the date the Boom is moved in

the year 2001, and to make reasonable, diligent and good faith effort to complete construction of the dock within 122 days of the date NSP first anchors the Boom to the new anchor point. NSP agrees to make reasonable, diligent and good faith efforts to complete the first movement of the Boom by May 1, 2001.

16. LONG TERM PLANNING AND ENERGY EFFICIENCY ISSUES: Applicants shall partner with stakeholders such as Midwest Independent Transmission System Operator ("MISO"), the Mid-Continent Area Power Pool ("MAPP"), the National Park Service, county and other state and federal agencies to manage, limit or reduce, where feasible, future electrical crossings of the Riverway. Such efforts may include exploration of alternatives such as a development of a future plan for the crossing at the A.S. King Generating Plant, additional decentralized generation, and enhanced energy efficiency.

Applicants acknowledge the potential for energy efficiency, conservation and local renewable energy projects to potentially minimize, delay or displace the need for future transmission facilities. To the extent consistent with regulatory and statutory requirements regarding utility energy efficiency programs, and subject to the availability of the required expertise within NSPW and NSPM, NSPW and NSPM agree to work together with the Counties of Polk and Chisago, and the Cities of Taylors Falls and St. Croix Falls to explore increased energy efficiency, dispersed generation, renewable energy, and conservation projects aimed at lowering the electrical requirements of the Cities of Taylors Falls and St. Croix Falls while maintaining the quality of service, and aimed at lowering electrical requirements for the Cities' and counties' residents and businesses.

17. MITIGATION OF NEED FOR FUTURE UPGRADES: Applicants shall plan, operate, and maintain the Line in accordance with good engineering practices, with the goal of maximizing the life cycle of the Line. Applicants represent that there are no long-term plans in existence to upgrade the Line. An Applicant shall inform all of the Parties in writing at least one year before submitting any application to any regulatory body for permission to upgrade the Line to allow operation of the Line at a voltage higher than that set forth in § 7 of this Agreement. An Applicant making such application shall, beginning one year prior to submission of such application, make good faith efforts to explore with the Steering Committee the potential for alternatives to upgrading the Line.

18. ENVIRONMENTALLY SENSITIVE CONSTRUCTION TECHNIQUES: To the greatest extent practicable, Applicants shall use environmentally sensitive construction techniques throughout the construction of the Line and associated facilities such as substations. Applicants shall minimize impacts of project related activities at the Bryant School Lab and the Balsam Branch Watershed including, in the case of the Bryant School Lab, exploring alternative routes. After the Line is approved and construction commences, NSPM shall revegetate the unused right-of-way along the slope of the Line in the City of Taylors Falls. NSPM and NSPW also agree to partially revegetate (to a limited extent to be discussed by the Steering Committee) that portion of the right-of-way where underground construction is anticipated. Streets that are disturbed by underground construction shall be returned to condition as good as or better than at the beginning of the project.

19. COOPERATION IN APPROVAL PROCEEDINGS: The Cities shall become and remain Parties to any proceedings necessary for obtaining approval for construction of the Line, as long as such proceedings are pending. The Cities shall throughout such proceedings expressly advocate approval of construction of the Line with the characteristics set forth in this Agreement. Such advocacy for the Cities shall include written and oral testimony of a duly authorized witness or witnesses for each of the Cities, comments and briefs to the extent authorized by the government or regulatory body(ies) before which such proceedings are pending, and pre-hearing advocacy for an expeditious schedule for conduct and conclusion of such proceedings. The Cities shall adopt resolutions from their respective governmental bodies approving construction of the Line consistent with this Agreement, and shall submit those resolutions for inclusion in the record of any proceedings necessary for obtaining approval for construction of the Line. In addition, the City of St. Croix Falls shall make available such additional land as needed to enable the expansion of the DPC Border Substation to enable construction of the Line.

20. AUTHORITY TO ENTER INTO AGREEMENT: Each of the Parties represents and warrants that it possesses legal authority to enter into this Agreement that this Agreement is binding upon that Party, and that it will support this Agreement before all agencies and all courts with jurisdiction. The Cities represent and warrant that each has duly adopted a resolution as an official act of the appropriate governing body of each of the Cities authorizing the execution of this Agreement and directing and authorizing its representatives and agents to act in the fulfillment of and compliance with the requirements and provisions of this Agreement. A certified copy of the resolutions are attached hereto as Exhibits C & D.

21. NO THIRD PARTY BENEFICIARY: The terms and provisions of this Agreement are intended solely for the benefit of the Parties hereto and their respective successors, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person.

22. INTEGRATION: This Agreement constitutes the full understanding between the Parties with reference to the subject matter hereof, and no statements, representations or agreements by or between the Parties, whether orally or in writing, made prior to or at the signing hereof, shall vary or modify the written terms of this Agreement. This Agreement shall not be modified except by written modification signed by the Parties which specifically references this Agreement.

23. MULTIPLE COUNTERPARTS: This document may be executed in counterparts each of which shall constitute an original.

24. DISPUTE RESOLUTION PROCEDURES:

(a) Any unresolved matter (hereinafter referred to as a "Dispute") between the Parties arising under this Agreement will be first addressed by members of the Steering Committee in an attempt to resolve the dispute.

(b) Arbitration of a Dispute shall be conducted in accordance with the provisions of Ch. 788, Wis. Statutes, and the procedures described below.

(c) Fifteen (15) days prior to the initiation of arbitration, notification shall first be given in writing to the other Parties. The failure to initiate arbitration within sixty (60) calendar days of such initial notice or within thirty (30) days after termination of any agreed-upon mediation proceedings, whichever occurs later, shall be deemed a waiver to arbitrate the Dispute. Any such waiver shall not prejudice a Party's right to arbitrate a Dispute based on facts arising subsequent to the facts that gave rise to the previous Dispute.

(d) The arbitration shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each group of Parties whose interests are aligned shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. If the two appointed members cannot agree on a third member within 15 days, either group of Parties whose interests are aligned may request that the appointment be made by a District Judge of Hennepin County, Minnesota. All arbitration proceedings under this Agreement shall take place in Hennepin County, Minnesota, or such other place as the Parties may mutually agree. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(e) The arbitrator shall have jurisdiction and authority to interpret, apply, or determine compliance with the provisions of this Agreement in so far as shall be necessary to the determination of the issues properly before him or her. The arbitrator shall not have jurisdiction or authority to add to, detract from, or alter the provisions of this Agreement or any applicable law or rule of civil procedure. Unless otherwise agreed, the arbitrator shall render a decision within ninety (90) days of the initiation of arbitration. In making the decision, the arbitrator shall issue in writing appropriate findings and conclusions regarding the issues. The arbitrator shall have authority to require any Party to specifically perform its obligations under this Agreement. Pending the final decision of the arbitrators, the Parties agree to diligently proceed with the performance of all their other respective obligations required by this Agreement.

(f) Those Parties participating in the arbitration process shall bear equally in the cost of the arbitrator. Each Party shall be responsible for its own costs incurred during the arbitration process (including but not limited to expert witnesses, consultants and attorneys fees, costs of exhibits and other incidental costs).

(g) Any Party may choose not to participate in the Dispute resolution process beyond the Steering Committee discussions. Any Party who chooses not to participate waives any right to challenge the results of the arbitration or to seek injunctive relief on any matter before the arbitrator.

(h) Nothing in these Dispute resolution provisions shall limit any Party's right to seek injunctive relief to preserve the status quo pending final resolution of the Dispute utilizing the Dispute resolution procedures provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of this 13th day of September, 2000.

CITY OF ST. CROIX FALLS

By: _____
Terry R. Lundgren
Mayor

Attest: _____
Bonita Leggitt
City Clerk

CITY OF TAYLORS FALLS

By: _____
Ross Rivard
Vice-Mayor

Attest: _____
Jo Everson
Clerk-Treasurer, ZA

NORTHERN STATES POWER COMPANY-WISCONSIN

By: _____
Jerome L. Larsen
President

DAIRYLAND POWER COOPERATIVE

By: _____
Bruce Staples
Vice President, Transmission

NORTHERN STATES POWER COMPANY-MINNESOTA

By: _____
James M. Ashley
Vice President, Transmission

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