



June 7, 2005

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Agralite Electric Cooperative
320 East Highway 12, Box 228
Benson, MN 56215

Dale Aukee
Great River Energy
17845 East Hwy 10, Box 800
Elk River, MN 55330-0800

James Thoreen
Stevens County
Courthouse, 400 Colorado Ave., Box 530
Morris, MN 56267

Subject: Agralite and GRE 115 kV electric substation construction referenced as the Hancock 115 kV Substation Project.

Dear Sirs:

This letter confirms that the Minnesota Environmental Quality Board has received notification that Great River Energy (GRE) and Agralite Electric Cooperative (AEC) propose to seek local review to construct a new 115 kV substation in Stevens County.

This project falls under the Power Plant Siting Act, Minnesota Statutes § 116C.51-.69, and Minnesota Rules chapter 4400, which, for most transmission line projects over 100 kV, requires a permit from the EQB. Minn. Stat. § 116C.61 subd.1 provides that the EQB permit supersedes and preempts all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local, and special purpose government. However, for eligible projects, a utility may apply to those local units of government that have jurisdiction over the route for approval to build the project instead of applying to the EQB. The proposed 115 kV substation project is eligible for local review. [Minn. Stat. § 116C.576 and Minn. R. part 4400.5000 subp. 2 C]

GRE/AEC have indicated that Stevens County is the local unit of government with jurisdiction in permitting the project and that a Conditional Use Permit application was submitted to the County on May 18, 2005. A local unit of government may relinquish its jurisdiction by requesting the EQB to assume jurisdiction within 60 days of the filing of an application with the local unit of government. [Minn. R. 4400.5000 subp. 4]



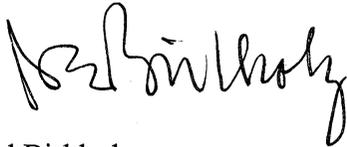
An environmental assessment must be prepared by the local unit of government with jurisdiction over the project. I acknowledge that Stevens County is the RGU for the Hancock 115 kV Substation Project.

Specific requirements with regard to the environmental review process include an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared; notice published in the EQB Monitor of when the assessment is available for review and of the procedure for commenting on the assessment; and that the final decision on the project will not be made until at least ten days after the notice appears in the EQB Monitor. Stevens County must provide a copy of the environmental assessment to the EQB when it is completed. [Minn. R. 4400.5000 subp. 5]

GRE/AEC have sent the required notice to those persons on the EQB power plant siting general notification list that a permit has been applied for from the local unit of government. [Minn. R. 4400.5000 subp. 3] The EQB supplied that list.

If there are any other questions, please feel free to contact me by phone or email.

Sincerely,

A handwritten signature in black ink, appearing to read "David Birkholz". The signature is fluid and cursive, with the first name "David" and last name "Birkholz" clearly distinguishable.

David Birkholz
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