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# The Minnesota River Watershed Alliance

## **Organizations and Businesses:**

Chippewa River  
Watershed Project

Citizens for  
Big Stone Lake

Clean Up the River  
Environment  
(CURE)

Coalition for a Clean  
Minnesota River  
(CCMR)

Eartrise Farm  
Foundation

Friends of the  
Minnesota Valley

Hawk Creek  
Watershed Project

Java River Company

Minnesota River  
School

Minnesota Trails  
Initiative

New Ulm Area Sport  
Fisherman

Tri-County Solid  
Waste

Twin Rivers  
Canoe Club

River Restoration  
Action Team,  
3M Corporation

December 8, 2006

The Honorable Steven M. Mihalchick  
The Honorable Barbara Neilson  
Office of Administrative Hearings  
100 Washington Square  
Suite 1700  
Minneapolis MN 55401-2138

In the matter of the Application of Otter Tail Power Company and  
others for Certificates of Transmission Facilities in Western  
Minnesota; OAH 12-2500-17037-2;MPUC Docket No. CN-05-619

Dear Judge Mihalchick and Judge Neilson,

The Minnesota River Watershed Alliance represents organizations that  
serve at least 700,000 state residents.

We are writing to express our opposition as an Alliance to the  
proposed Big Stone II power plant. We are not opposed to the  
proposed transmission facilities associated with the plant that are  
under your consideration, but since you have stated that the plant and  
the power lines are inextricably linked, we ask you to deny permission  
to build the lines in order to prevent the Big Stone II plant from being  
constructed.

We are opposed to the proposed Big Stone II power plant for the  
following reasons:

1. The negative impact to the Minnesota River that Big Stone II will  
have on the environmental health of Big Stone Lake and the  
Minnesota River resulting from a 3.2 billion gallon withdrawal every  
year from the lake for cooling ponds to operate the plant.
2. The increased mercury emissions from the plant into already  
mercury impaired waters and the resulting bio accumulation of  
mercury into the fish and biological life cycles of the Minnesota River.

We are asking you to enter into the Administrative Law Judge  
proceedings record the attached letter from the Minnesota DNR which  
highlights that agency's concern with the negative effects that  
withdrawing up to 10,000 acre feet of water from the shallow Big  
Stone Lake will have.

## **Farmers, Individuals and Land Owners:**

Audrey Arner

Ron Bolduan

Pat Cragoe

Dee Czech

Richard Fish

Charlie Guggisberg

Larry Gunderson

Chris Hughes

Randy Krzmarzick

Kevin Molloy

Diane Ovrebø

Greg Roiger

Chantill Kahler  
Royer

Richard Currie  
Smith

Del Wehrspann

John White

Lyle Winterfeldt

Jim & Kathleen  
Wolf

Lucas Youngsma

The MinnRivWa shares the DNR's concerns. We do not believe that it is in the best interest of the people of Minnesota to allow private industries to freely withdraw upwards of 25 – 30% of any given body of water's water volume every year.

If this request is granted and the plant is built, what precedent will this have for other industries that want to draw off public water for private commercial gain?

What will happen to farmer owned ethanol plants downstream from Ortonville that may need to draw off water from the Minnesota River to operate if the Big Stone I and II plants take the water first?

**Simply put, this level of water usage by a single industry is not sustainable. There are other ways to generate electrical power that do not diminish our precious water resources.**

For this reason alone, the Big Stone II plant should not be built, but when you add to this the fact that the Big Stone II power plant will be increasing the mercury emissions from the plant downwind into the impaired waters of Upper Minnesota River Watershed, it is clear that this plant is not in the interest of the people of Minnesota.

We heard the Big Stone II officials admit in testimony in Granite Falls in October 2006 that mercury emissions from the combined plants are projected to increase for the first three years. In fact, the permit granted by South Dakota allows them to emit upwards of **400 pounds of mercury per year** – up from the 2004 levels of 189 pounds per year.

At the testimony last October, Big Stone II partners also told us that they will do everything they can to keep mercury emissions from both plants to 2004 levels. This pledge is hollow and meaningless. Even at 2004 levels, the plant would not be allowed to be built in Minnesota with our new mercury reduction standards. Even with 2004 levels, Big Stone II will emit significantly more mercury than the entire mercury allocation for the state of South Dakota as the Federal Mercury Trading Rules come into play in the near future.

Finally, the Big Stone I plant is currently being sued for repeated and deliberate violations of federal air quality standards. We don't believe that a cynical corporate culture that has created and allowed this kind of pollution in the past is going to change and should suddenly be trusted to do what they promise.

Our children's children are under increasing threats for birth defects and autism due to rising mercury levels building up in the environment. Our quality of life and our recreation and tourism economy depend on edible fish and a clean Minnesota River.

We ask you to do the right thing. Deny the permits that the Big Stone II partners are requesting to build transmission lines across Minnesota. Tell them to go back to the drawing board and to come up with a plan to deliver reliable and affordable energy that is produced in accordance with Minnesota laws and Minnesota environmental values.

Sincerely,

**The Members of the Minnesota River Watershed Alliance Coordinating Team:**

**Dee Czech**  
Earth Sabbath Team

**Loren Engelby**  
Kandiyohi County Ag Inspector

**Scott Kudelka**  
MinnRivWa Staff

**Charlie Guggisberg**  
Brown County Commissioner

**Patrick Moore**  
CURE

**Lori Nelson**  
Friends of the Minnesota Valley

**Kylene Olson**  
Chippewa Watershed Project

**Scott Sparlin**  
CCMR

500 Lafayette Road, St Paul MN 55101  
(651) 259-5701

June 30, 2006

Mr. John Guhin  
Assistant Attorney General  
1302 East Highway 14, Suite  
Pierre SD 57501-8501

**IN THE MATTER OF APPLICATION NO. 6678-3, OTTER TAIL CORPORATION  
(BIG STONE II)**

On behalf of the Minnesota Department of Natural Resources, I respectfully request the South Dakota Water Management Board to consider the needs and concerns of the citizens and natural resources of Minnesota in this water rights application.

The existing 8,000 acre-feet of water already authorized for Big Stone I power plant and the additional volume of up to 10,000 acre-feet for the Big Stone II power plant are substantial demands from the surface water of our shared interests in Big Stone Lake. The lake provides both states' citizens with many valuable benefits including recreational opportunities, substantial fish and wildlife values, and economic benefits associated with these values. These valuable benefits are at increased risk from drought-related impacts due these large increases in consumptive use of the water from the lake.

Big Stone Lake is a shallow lake that provides a premier fishery and is one of the largest recreational lakes in Minnesota. The proposed appropriation represents approximately 20-35% of the total lake volume based on historic water levels. Consequently the withdrawal of this volume of water has the potential to significantly affect the ecology and recreational suitability of Big Stone Lake. For instance, the water draw down model developed by Barr Engineering indicates water levels on Big Stone Lake will be lowered 6-12 inches several times per decade due to the Big Stone Plant withdrawals. This increases the potential for winterkill, elevates water temperatures; increases internal loading from nutrient enriched lake sediments, and increases algal production. Further, it reduces access to open water in shallow areas of the lake and increases the potential for navigational hazards caused by near surface rocks.

The steady demand of water for a base load power plant will increase during hotter and dryer climatic periods and we are concerned about emergency needs for cooling water for essential power production during these periods. Pressures to waive or vary the operating agreement could become politically or socially intense unless there are clear plans and reliable alternatives identified as part of this permitting process. No alternative water supplies or plans for such supplies have been detailed or clearly developed as part of any information that we have had access to in this process.

Mr. John Guhin  
June 30, 2006  
Page 2

We request that the permittee be required to explore and functionally develop alternative water sources that are not tied to natural surface water systems and would be available for emergency use during periods of drought as a condition before permission is granted.

Under this proposal, there will also be impacts to the Minnesota River which depends on outflows from its upstream watersheds to maintain exceptional aquatic ecosystems for which countless federal, state and local dollars have been invested (Big Stone National Wildlife Refuge and Lac Qui Parle State Wildlife Management Area). This new volume of appropriation, in combination with previous alterations to the Big Stone Lake dam elevation have significantly changed the hydrologic implications for flows from Big Stone Lake to the downstream river system in both quantity and quality. The application presents the justification that flows from the Whetstone River will remain unaffected by this project; however, this alone is not significant justification to address our concerns.

The reduction in the volume and frequency of cleaner water from the Big Stone Lake watershed coupled with hyper-eutrophic waters of the Whetstone creates conditions that are significantly more deleterious to the downstream aquatic ecosystems. The raising of the May – September water level control elevation from 967 to 968 substantially reduced the amount of outflow that can occur from the lake to feed downstream flow needs. The additional reduction of up to 10,000 acre-feet of water for consumptive use for the power plant will further impact frequency and duration of outflows from the lake and is well documented as part of the Barr Engineering analyses. The water quality of the discharge from the Whetstone River is very poor. The most recent water quality data that we had access to at this writing showed between 3 to 12 times more phosphorus loading and up to 70 times more total suspended sediment loading rates in the Whetstone River compared to water quality in Big Stone Lake. Winter kill, summer kill and spawning success concerns for the fishery will increase with a greater percentage of the Whetstone River flows making up the available waters for the Minnesota River.

To address these important issues, we request the permittee be required to split its appropriation and capture part of its water budget from the Whetstone River and not be solely dewatering the higher quality Big Stone Lake as its only source of water. This will reduce the pollutant loading being delivered to Minnesota from the Whetstone River and increase available discharges from Big Stone Lake resulting in healthier conditions for important downstream ecosystems and improved dilution and treatment of waste water discharges from municipal systems. We would also encourage South Dakota to increase best management practices in the Whetstone River watershed in order to improve water quality conditions for both Ottertail Power Company uses as well as South Dakota and Minnesota users and uses that are currently impacted by the poor quality of water being delivered from its watershed.

Finally, we believe that designated downstream flow releases should be established from Big Stone Lake to address public health, safety and welfare issues in Minnesota in the downstream watershed. The dam's current operational plan continues to contribute to the ecological decline of the upper

Minnesota River. The dam operation does not include any minimal flows from Big Stone Lake and

Mr. John Guhin  
June 30, 2006  
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no ramping of flows. Essentially the dam is either wide open or completely shut. Water levels in the river fall or rise many feet from one day to the next no matter what time of year.

The dual impact of raising the dam elevation by one foot during the period of May – September and increasing the water guaranteed for consumptive use by up to an additional 10,000 acre-feet for power plant cooling and an ethanol plant water supply causes us to begin the process to reconvene the South Dakota – Minnesota Boundary Waters Commission. The purposes of convening the Commission are to investigate and determine the most desirable and beneficial levels of boundary waters artificially controlled and to prescribe a plan for controlling and regulating water management activities. We request final action on this water rights permit be postponed until such time as the states reach a consensus on a new agreement for management of Big Stone Lake water levels and outflow conditions.

In summary, our main points are:

- 1) We request that the permittee be required to explore and functionally develop alternative water sources that are not tied to natural surface water systems and would be available for emergency use during periods of drought as a condition before permission is granted;
- 2) We request the permittee be required to split their appropriation and capture part of their water budget from the Whetstone River and not be solely dewatering the higher quality Big Stone Lake as its only source of water;
- 3) We request a reconvening of the South Dakota – Minnesota Boundary Waters Commission to investigate and determine the most desirable and beneficial levels of boundary waters artificially controlled and to prescribe a plan for controlling and regulating water management activities; and finally,
- 4) We request final action on this water rights permit be postponed until such time as the states reach a consensus on a new agreement for management of Big Stone Lake water levels and outflow conditions that can be incorporated into the Big Stone II power plant water diversion plan.

Thank you for this opportunity to comment on Application No 6678-3, and we request your careful consideration of our concerns in your decision-making process. If you have any questions, please contact Regional Hydrologist David Leuthe of my staff at 507-359-6050.

Sincerely,  
DNR WATERS

Kent Lokkesmoe

---

Director

Mr. John Guhin

June 30, 2006

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Ec: Gene Merriam, Commissioner of MN Department of Natural Resources  
Sheryl Corrigan, Commissioner of Pollution Control Agency  
Laura Bordelon, Governor's Office  
Cheryl Heide, MN DNR Southern Region Director  
Diane Best  
Tom Welk  
Erin Jordahl-Redlin  
Elizabeth I. Goodpaster  
Eric Gronlund  
Terry Graumann  
Dave Leuthe, DNR Waters



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We are opposed to the proposed Big Stone II power plant for the following reasons:

1. The negative impact to the Minnesota River that Big Stone II will have on the environmental health of Big Stone Lake and the Minnesota River resulting from a 3.2 billion gallon withdrawal every year from the lake for cooling ponds to operate the plant.
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We are asking you to enter into the Administrative Law Judge proceedings record the attached letter from the Minnesota DNR which highlights that agency's concern with the negative effects that withdrawing up to 10,000 acre feet of water from the shallow Big Stone Lake will have.

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DNR WATERS

Kent Lokkesmoe

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**Director**

**Mr. John Guhin**

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