

Barbara Neilson

From: David Forrette [forrette@sstel.net]
Sent: Wednesday, December 06, 2006 10:04 PM
To: steve.michalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II Power Plant

Mr. Steve M. Michalchick
Ms. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Ave. S, Suite 1700
Minneapolis MN 55401

Mr. Michalchick and Ms. Neilson,

I am writing to express my support of the Big Stone II Power Plant. My name is David Forrette and I am the owner of the Millstone Family Restaurant in Milbank, SD. I am also the Grant County Commissioner Elect and will begin my four-year term in January 2007.

Big Stone II will help to ensure reliable and cost effective power for not only my home and business but to the entire region. The economic impact to this area will be immeasurable. I know that through the cooperation between these seven partners they are investing in wind energy as well. I fully support the Big Stone II project.

Sincerely,

David E. Forrette
Millstone Family Restaurant
Milbank, SD

Barbara Neilson

From: Sheila Dailie [jodelkae@yahoo.com]
Sent: Wednesday, December 06, 2006 2:39 PM
To: Barbara Neilson
Subject: Big Stone II project

I am a resident of Grant County, born here, educated here and returned after college to farm and raise our family. During the time Big Stone I was built, I was a high school student. The usage of electric energy continues to grow, and the BS plant helps provide a constant source of power.

Most days the only reminder we have of the power plant is the physical presense it has on the landscape. Emissions from the plant can rarely be detected by the eye. I have not heard any opposition within our community toward building the BS II project, but rather questions such as Should I expand my business?

Keep in mind that we in Grant county value the gift that electricity represents. Please rule favorably toward the plant in these hearings.

Sincerely,

Sheila Dailie, Grant County SD

Everyone is raving about [the all-new Yahoo! Mail beta](#).

Steve Mihalchick

From: Carol Knutson [c-eknutson@fedteldirect.net]
Sent: Wednesday, December 06, 2006 3:55 PM
To: Steve.Mihalchick@state.mn.us
Subject: bigstonell

We are farmers in Big Stone County. We support the BigStonell project. We know the need for technology and our dependence on electricity. Eldon and Carol Knutson

Steve Mihalchick

From: Nice Threads [ncthread@prtcl.com]
Sent: Wednesday, December 06, 2006 3:20 PM
To: Steve.Mihalchick@state.mn.us
Cc: Barbara Neilson

Mr. Steve M. Michalchick
Ms. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Ave. So, Suite 1700
Minneapolis, Mn. 55401

Mr. Michalchick and Ms. Neilson

As a business owner and someone who is concerned about the environment as well, I see a need for more sources of energy than utility companies are now using. We need to be looking into wind and other forms of energy. I understand that Otter Tail Power is doing just this and that the Big Stone II project may be a source of wind or other environmentally friendly sources of energy in the near future. We need to look forward and secure energy for future generations.

As business people we also need to keep our eye on energy costs and the reliability of consistent power. We need to keep our energy costs low in order to keep our cost of goods low enough to compete with foreign goods. I'm in favor of the plant that will reduce emissions and utilize wind generation.

Sincerely,
Doug Dietman
President
Nice Threads Embroidering, Inc
307 E. Hampden Ave.
Fergus Falls, Mn. 56537



307 E. Hampden Ave.
Fergus Falls, MN 56537
1-800-217-8819
1-218-736-7501
www.nice-threads.com

Steve Mihalchick

From: Robert E Wood [woodroberte@yahoo.com]
Sent: Wednesday, December 06, 2006 1:16 PM
To: Steve.Mihalchick@state.mn.us
Subject: Big Stone II transmission and power plant

Dear Mr. Mihalchick:

My name is Robert E Wood. I am a retiree from MDU Resources Group, Inc. My wife Deborah and I live in Bismarck, ND. Several years ago we lived in Argle, MN, where I was a high school social studies instructor.

My purpose for writing to today is to encourage you, as a regulator with an understanding of the importance of a mix of energy sources, to approve the transmission line proposal as submitted by the partners in the Big Stone II project.

Transmission upgrades and new lines are an intergal part of the energy needs of our region. The Big Stone II transmission plan will serve both burgeoning alternative energy sources and the traditional, baseload generation needed for a balance and secure electrical energy supply.

While this is a Minnesota proceeding, I am sure you understand the importance of the project to this region. Big Stone II will serve electric energy consumers in Minnesota as well as in the Dakotas. Additionally, the transmission will serve to carry wind generation from the Buffalo Ridge region...a win for both base-load and alternative generation.

Please support and approve the transmission line proposals. Thank you.

Robert E and Deborah Wood
1137 Edwards Ave
Bismarck, ND

Any questions? Get answers on any topic at [Yahoo! Answers](#). Try it now.

Steve Mihalchick

From: jbseelhammer@charter.net
Sent: Wednesday, December 06, 2006 12:38 PM
To: Steve.Mihalchick@state.mn.us
Subject: Big Stone II Project

Dear Judge Mihalchick:

My wife, Betty, and I have been residents of Minnesota for most of our lives. (1930's to present) We continue to maintain our interest in electrical power and maintain investment in electrical power companies.

We realize wind power provides an economical energy source, however, also realize that we must depend on coal or nuclear power generating plants to meet power demand when wind conditions periodically diminish.

Big Stone II would always meet Minnesota's electrical demands even when wind conditions are not adequate to generate sufficient power.

We respectively encourage you to approve the Big Stone II Project and the required transmission lines which will effectively meet Minnesota energy needs for our children in the future.

Sincerely,
John & Betty Seelhammer
1214 9th Ave So
St Cloud, MN 56301

Steve Mihalchick

From: Mark Helland [mhhelland@yahoo.com]
Sent: Wednesday, December 06, 2006 11:01 PM
To: Steve.Mihalchick@state.mn.us
Subject: BSP II Transmission CON

Mr. Steve M. Mihalchick
Administrative Law Judge
Office of Administrative Hearings
100 Washington Avenue South, Suite 100
Minneapolis, Mn. 55401

Mr. Mihalchick,

I am writing this letter in support of Big Stone II and selected transmission projects. As a concerned citizen, customer and OTP employee I believe this project addresses reliability and generational concerns in a cost effective way. This is being accomplished in an environmentally responsible manner utilizing the best available technologies to harness and transport energy from coal and renewables while simultaneously encouraging and supporting energy efficiency and conservation measures and practices in a safe manner. The Big Stone II and related transmission projects are balanced and responsible solutions for this area's energy needs, which is why I support this project and am requesting your approval for the Big Stone II transmission CON. Thank you.

Sincerely,
Mark Helland
510 North Union
Fergus Falls, Minn. 56537

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Steve Mihalchick

From: Vicki.Strege@k12.sd.us
Sent: Wednesday, December 06, 2006 10:10 PM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Support of Big Stone II

December 6, 2006

Mr. Steve M. Michalchick
Ms. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Avenue South, Suite, 1700 Minneapolis, Minnesota 44401

Mr Michalchick and Ms. Neilson:

I have carefully read the information I obtained regarding the proposed new plant at Big Stone. It indicates that the new plant will be more efficient and produce 20 percent fewer air emissions and CO2 than current plants. I also found out that the related transmission line will be made larger to accommodate wind and other renewable energy. As a result, I am in favor of the new plant.

Sincerely,

Vicki L. Strege
1007 Vista Dr.
Milbank, SD 57252

Steve Mihalchick

From: Steven Strege [srstrege@hotmail.com]
Sent: Wednesday, December 06, 2006 10:00 PM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II Support

December 6, 2006

Mr. Steve M. Michalchick
Ms. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Avenue South, Suite, 1700 Minneapolis, Minnesota 44401

Mr Michalchick and Ms. Neilson:

I have carefully read the information I obtained regarding the proposed new plant at Big Stone. It indicates that the new plant will be more efficient and produce 20 percent fewer air emissions and CO2 than current plants. I also found out that the related transmission line will be made larger to accommodate wind and other renewable energy. As a result, I am in favor of the new plant.

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Steve Mihalchick

From: Grover_Riebe@bobcat.com
Sent: Wednesday, December 06, 2006 2:03 PM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II Project Support Letter
Attachments: 0585_001.pdf

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P.O. Box 128
Gwinner, ND 58040-0128
(701) 678-6363
(701) 678-6214 Fax
www.bobcat.com

December 6, 2006

Mr. Steve M. Mihalchick
Ms. Barbara L. Heilson
Office of Administrative Hearings
100 Washington Avenue South, Suite 1700
Minneapolis, Minnesota 55401

Mr. Mihalchick and Ms. Neilson:

In our business, there is a continuous concern about competition which means that our costs must be as low as possible. We understand that Ottertail Power Company has proposed the Big Stone II plant project to meet the growing demand for electricity and to contain the growing cost of electricity, purchased by Ottertail Power, generated via other non-coal sources of energy.

The need for additional generating capacity is demonstrated by the increasing hours of interruption during peak demand periods. Power outages continue to demonstrate how close the demand is to the supply.

The Big Stone II project is definitely needed. Bobcat Company supports this project. We understand that Ottertail Power Company is doing the right thing for the environment through the addition of more wind generation and transmission capacity as part of this project.

Sincerely,

Grover C. Riebe, Jr.
Director, Manufacturing Technology

GCR/kd

Barbara Neilson

From: Christopher Childs [worldgarden@igc.org]
Sent: Thursday, December 07, 2006 12:47 PM
To: Judge Steve M. Mihalchick; Barbara Neilson
Cc: Cesia Kearns; Stacey Kawakami; Heather Cusick
Subject: Sierra Club - Big Stone II Comments

Attachments: SC BSIIComments CON-PUCa.pdf



SC
Comments CON-PU

Dear Judge Mihalchick and Judge Neilson,

There has been some question in our corner of the environmental community as to whether written comments on the CON application of Otter Tail Power, et al, for the Big Stone II power plant and its transmission connection had to be delivered by Oct. 31, or whether they could be submitted as late as Dec. 11. We had believed the latter date to be the deadline, but a recent review of handouts from the Oct. 16 public hearing suggests otherwise, indicating that the Dec. 11 deadline was for comments specifically on the final EIS.

In hopes that the later date in fact applies for broader comments on the CON application, please find attached, as a PDF file, our full critique, from an earlier draft of which I drew my oral testimony on Oct. 16.

Thanks for your work on this issue.

Best wishes,

Christopher Childs
Chair, Conservation Committee/Member, Executive Committee/ Co-Chair, Clean Air & Renewable Energy Committee
Sierra Club, North Star Chapter
(651) 312-1216 Voice 651-312-0684 Fax
<worldgarden@igc.org>



December 6, 2006

SIERRA CLUB - NORTH STAR CHAPTER
COMMENTS ON OTTER TAIL POWER, ET AL, APPLICATION FOR A
CERTIFICATE OF NEED FOR THE PROPOSED BIG STONE II POWER
PLANT AND ITS PROPOSED TRANSMISSION CONNECTION
IN MINNESOTA

Introduction

The North Star Chapter of the Sierra Club vigorously opposes construction and interconnection of the proposed Big Stone II coal-fired power generation unit. The environmental and economic and human impacts of this plant threaten damage to this state and this region for up to, and likely beyond, half a century – the highly probable lifespan of such a facility.

The true significance of the proceedings of the Public Utilities Commission, in the case of the Big Stone Co-Owners' application for a Certificate of Need for transmission interconnection – from the public and evidentiary hearings to the deliberations of the Commissioners – is not widely grasped. This is not simply about one coalburning power plant. In proceedings like this, and related deliberations, around the United States, it is wholly accurate to say that the fate of our society is being decided... one input, one decision, one choice at a time. And with it, the fate of ecosystem after ecosystem, across the planet.

Big Stone II is, according to the Department of Energy, one of some 153 coal-fueled plants now being proposed around the country – all but 16 of which are strictly combustion-based and would burn pulverized coal. The expansion at Big Stone is a “camel’s nose” issue. Should these plants be built and connected, nationwide efforts to reduce smog and its health effects, and reduce the impact of fine particulates, and reduce mercury contamination, and hold acid precipitation in check, and above all, to drastically cut greenhouse gas emissions – which by overwhelming scientific consensus threaten the entire global commons and, by extension, our very way of life – would be dealt a crippling blow.

To us, both the separate and collective proposals of these coal plants represent a kind of madness. One of the most fundamental maxims for the survival of an individual or a society is, "When you find you're in a hole, first, stop digging." That fundamental maxim would be violated by the construction of these plants. And the violation is of such an order of magnitude as to be both indefensible, and well-nigh inexplicable.

In the specific case of the Big Stone II proposal, we offer the following summary of our concerns:

I. The Carbon Factor

Big Stone II was originally proposed to generate 600 megawatts of power; as now proposed, it would output 630 MW – and it thus would emit in excess of 4.9 million tons of carbon dioxide per annum. At that output it would increase South Dakota's emissions of carbon dioxide by well over one-third, adding more to the region's greenhouse-gas output than could almost 700,000 new cars. There is no plan to capture and sequester this astonishing output of CO₂; the basic reasons are simple: inertia – old ways of doing things die hard – and cost.

The irresponsibility of bringing on line a major coal-fired facility without carbon capture, at a time when Minnesota, the nation, and the entire world are looking down the barrel of the gun called "global warming," is breathtaking.

Impending climate change – which begins to look more and more like climate shock – has profound local and regional implications for South Dakota and its neighboring states, for the nation, and for the planet entire. For Minnesota the direct and indirect risks – both environmental and socioeconomic – are terribly high. The stability of our agricultural sector is at stake; our water supply in the western part of the state, already stressed to the point that a proposed ethanol plant in Pipestone could not be built, is at stake; hunting, angling and tourism are at stake; habitat for wildlife, including millions of ducks and geese – the entire prairie pothole region is predicted to disappear as the climate degrades – is at stake; and human health is at stake, because global warming leads not only to heat waves and droughts, but also to the development of new vectors for disease, such as an expanded range for various kinds of mosquitoes and other carriers.

Minnesota law states that the Public Utilities Commission must quantify the environmental costs of all means of power production; it also requires that utilities legitimately apply not only those cost projections, but also “other external factors, including socioeconomic costs” in evaluating any proposed resource [Minn. Statute § 216B.2422, subd. 3]. The Co-Owners’ application fails, and fails catastrophically, on this point.

II. Irrational Demand Projections, and Unexplored Possibilities for DSM

The Co-Owners assert that their planned \$1.8 billion, coal-fired power plant is necessary to meet a projected need for additional generation. But their projections ignore the pressing, culture-wide requirement that, in the face of pending climate disruption, demand simply cannot be allowed to grow at its historic rate; further, they have dismissed out of hand the possibility that the claimed need for Big Stone II might be obviated by aggressive conservation and efficiency programs. Even the current administration in Washington has now accepted a firm timetable for new appliance efficiency standards that will measurably reduce the growth rate of U.S. power consumption. Without offering any legitimate proof, the Co-Owners nonetheless assert that intelligent demand-side management would be insufficient to meet the assumed need.

This is a potentially vital issue: committed demand-side management (DSM) has been shown again and again – in studies like those by the Northwest Council, which has found that aggressive investment in conservation saves literally billions within each system studied – to be a potent and highly cost-effective means of dealing with projected demand. According to the Minnesota Legislative Auditor, the benefits of Otter Tail Power’s own recent energy efficiency investments under the state’s Conservation Improvement Program have exceeded costs by a ratio of more than 3 to 1.

Further, every reasoned analysis of climate change concludes that DSM is an absolutely essential component of a meaningful program to forestall global warming’s most catastrophic effects. A greenhouse gas reduction on the order of 80% is now widely understood to be an absolute requirement within – at most – the next four-and-a-half decades. We must learn to use less, and to use energy far, far more efficiently and intelligently; and that can begin only with massive investment, which, in a culture that has elected capitalism as its economic

system, is the most evident measure of our true commitment to almost any social priority. You can tell what we really care about, because we put up the money that's needed to pay for it.

Minnesota law states that the Public Utilities Commission must not issue a CON for a large facility until and unless the applicant proves that demand "cannot be met more cost-effectively through energy conservation and load-management measures..." [Minn. Statute § 216B.243, subd. 3]. The Co-Owners' application fails on this point.

III. Failure to Accurately Assess Both the Renewable Option, and Big Stone II's Corrosive Impact on the Future of Renewables

Beyond conservation and efficiency, the next clear step in addressing the risk of climate shock is the aggressive expansion of renewable energy. But the Big Stone II facility and its connection to Minnesota's power lines would, in fact, accomplish just the opposite: they would foreclose the construction of hundreds of megawatts of wind power production in Minnesota and the surrounding region.

First and most obviously, the plant's power output would preclude construction of at least an equal amount of wind power, i.e., at minimum, well over 600 megawatts. Perhaps less immediately obvious to many is the fact that we can only build so many transmission lines, and those lines can only carry so much electricity. The Co-Owners like to trumpet that the new, proposed interconnection lines are a boon to wind power. Absolutely to the contrary: the space taken up on those lines by coal-fired, polluting power from Big Stone II would be lost to wind power producers – lost for up to fifty years, the length of time such a plant is likely to run if the Co-Owners follow the historic pattern of utilities in propping up coalburning units well past their prime.

The tragedy of this foreclosure is multifaceted:

Wind power brings with it many more high-quality jobs than coal-fired power can ever hope to promise – by one widely-accepted estimate, 32 jobs per megawatt of nameplate production. It can lift entire counties out of poverty, through employment, through taxes paid, and through the ripple effects of keeping money within the local economy that would otherwise travel far

abroad. It has this singular, too-often disregarded advantage over every form of combustion-based – and nuclear – power generation: its fuel is free, forever. Over the long run, rivaled perhaps only by increasingly less-costly forms of solar power, wind turbines promise to be the most price-stable, economy-lifting means of generating electricity ever invented – one very good reason why the wind power industry worldwide is expanding at a rate in excess of thirty per cent per year.

Minnesota law states that the Public Utilities Commission must not issue a CON for a large facility that generates – or transmits – electricity from a nonrenewable source until and unless the applicant proves it has seriously explored the renewable option, and found the nonrenewable path “less expensive (including environmental costs) than power generated by a renewable source” [Minn. Statute § 216B.243, subd. 3a]. The Co-Owners’ application fails on this point.

IV. Violation of the Intent of Minnesota’s Mercury Emissions Statute

On the environmental side, in contrast to coal, wind power completely eliminates not only the carbon dioxide, but also the other polluting emissions from coal – including mercury. Just a few months ago the state of Minnesota – currently reliant on coalburning for some 75% of its power output – passed one of the toughest anti-mercury laws in the nation, requiring its biggest coal-fired power plants to reduce their emissions of toxic mercury up to 90% within a decade. The North Star Chapter of the Sierra Club was privileged to be directly involved in shaping that law. The existing, 450-megawatt Big Stone I facility, if it were a few scant miles east in Minnesota, would unquestionably have been included under that legislation, and would have had to reduce its output of mercury by the end of 2014 to less than 20 lbs.

Contrast this with the reality of Big Stone as proposed – (barely) in South Dakota. The Co-Owners, having originally projected initial, 2012 mercury emissions from the combined Big Stone I and Big Stone II units at 399 lbs./year, are cited in the Western Area Power Administration (WAPA) Draft Environmental Impact Statement as having the “goal” – through the use of unspecified technologies and programs that may or may not include the purchase of allowances under a cap-and-trade scheme – of reducing that amount below the 189-lb. level of the existing facility, to 144 lbs. for the original 450-

megawatt plant plus the originally proposed 600-megawatt expansion. More recently, the figure offered at the October 16, 2006, PUC hearing by the Big Stone II representatives was 136 lbs., to (barely) meet the liberal requirement of the federal Clean Air Mercury Rule (CAMR). It was promised in the WAPA DEIS that this will later be further offset; we are told this may still be done, quite possibly via cap-and-trade: but there is no promise that real emissions will actually be cut. Cap-and-trade by its nature leaves existing, real plant emissions – and the threat of local mercury “hot spots” – in place.

The promise of minimal reductions under federal law evades not only the fact that under Minnesota’s law, the existing facility at Big Stone would have had to reduce its real output of mercury to a total of some 19 lbs. by 2014; it also passes over the fact that any new coal-fired facility in Minnesota – if permitted at all – would be required to meet an equally stringent standard. The total combined allowable real mercury emissions for Big Stone I and II by the end of 2014, were the units sited on the opposite side of Big Stone Lake, can reasonably be projected at less than 50 lbs.

This facility which is proposed to be sited directly on the Minnesota border, with planned connection to Minnesota's transmission lines, for the express primary purpose of serving Minnesota ratepayers, would thus output – indefinitely, if there is substitution of a cap-and-trade program for actual emissions controls – real emissions of nearly three times the amount that would be allowed in Minnesota. These emissions would fall primarily on Minnesota because of the prevailing winds – several tons deposited over the several decades of the plant’s probable operating life. Recent studies in Ohio, Massachusetts, and the Lake Michigan basin, and earlier experience in Florida, make it plain that far more mercury – nearly 70 per cent in the case of the much-publicized 2003-2004 Steubenville, Ohio, study – tends to fall to earth within a few score miles of a coal-fired source than is transported long-distance and more widely dispersed. This means we are looking at the threat of a massive mercury “hot spot” near Big Stone – most of that hot spot, to the east... in Minnesota.

It is well-known that Minnesota's waters are already widely and heavily contaminated by mercury deposition; additional loading is simply unacceptable. Our lakes are already a virtual gauntlet of fish consumption advisories. The conventional EPA calculation is that an annual contamination rate of .002 lb. – two one-thousandths of a pound; i.e., as little as 1/70th of a teaspoon of mercury – can contaminate a 20-acre lake to a level requiring a fish consumption advisory

for a full year. Yet the Co-Owners would have us believe that long-term impacts to water resources via air emissions from the existing and proposed plants would not be significant. Concerning the health impacts of mercury pollution, they are dismissive. They ignore both the neurological consequences of mercury exposure, and its more recently discovered connection to heart disease. The prioritization of profit over principle, over people, and over the common welfare, is palpable in their representations.

Again, as noted in the above comments on carbon: under Minnesota law, the Public Utilities Commission must quantify the environmental costs of the various means of power production; utilities must apply those cost projections, and also "other external factors, including socioeconomic costs" in evaluating a proposed resource [Minn. Statute § 216B.2422, subd. 3]. The Co-Owners' application here also fails on this point.

V. Unrealistic Economic Projections

Let us turn briefly to a condensed overview of the economics of this project – the real economics, not the more convenient ones visible in various offerings from the Co-Owners. Less than two weeks after the granting of a site permit by the state of South Dakota, the Co-Owners acknowledged that Big Stone II would not, as originally stated, cost some \$1.2 billion, including the costs of interconnection. The cost would now, they announced, rise to \$1.8 billion. This huge increase would be borne by the ratepayers... as would any additional "surprises." It gives the phase "sticker shock" a whole new depth of meaning.

The negative economic effects that can be foreseen as a result of Big Stone II extend well beyond its proximate costs and extend well into the long term. The extraordinary onrushing impact of climate change on public health is increasingly well understood and implies its own long-term costs, no meaningful exploration of which – as with other health effects – has been made by the Co-Owners.

The present governor of Minnesota takes climate change so seriously that a few months ago he is reported to have told a group of power company executives that a carbon tax is inevitable, and will probably materialize in the near future. But the Big Stone II Co-Owners dismiss carbon-related costs. These, too, along with the costs of construction, would fall on the backs of Minnesota ratepayers

should the plant be built and its power conveyed on our transmission lines. The Co-Owners' protest that carbon regulation might not turn out to have a significant impact on rates rings hollow: the point of any carbon tax – or other measure aimed at reducing greenhouse-gas output – is to make construction and/or operation of a carbon-combustion-based facility less attractive; the primary means to this end is to ensure that the regulation imposes meaningful costs on the plant; therefore, it is entirely reasonable to assume that any such regulation will, in the end – as has been the case in the European Union – meaningfully raise the cost of power produced from such a facility.

Minnesota law states that the Public Utilities Commission must, in assessing a CON application, ensure that the applicant has legitimately examined “the risk of environmental costs and regulation” on the facility being proposed, and that these risks must be examined over the entire useful life of the facility [Minn. Statute § 216B.243, subd. 3(12)]. The Co-Owners' application fails on this point.

The Co-Owners also dismiss the impact of the ever-rising cost of fuel for their facility; coal from Wyoming's Powder River Basin, for one highly relevant example, has more than doubled in price over the last year. And they seem to take no note at all of the constantly increasing cost of moving the coal by rail. Add these, too, to the tab to be picked up by the customers of Otter Tail Power, and its compatriot utilities, on this side of the state line.

Costs of backside health impacts beyond the effects of mercury and of climate shift are similarly ignored by the Co-Owners. A rather conservative estimate using established externalities values for new coal-fired power plants would suggest that a \$1.8 billion-dollar coal-plant project – even when fitted with modern pollution controls – is, over the probable half-century lifetime of the plant, likely to impose an additional dollar cost on society of at least half again that much just via the health-impairing, often lethal impact of fine particulates and other pollutants (see e.g. Abt Associates, 2002; Burtraw & Toman, 1997). All these costs, as well, then, are to be shared by the power consumer in Minnesota. This, as well as the preceding, are what the Minnesota Public Utilities Commissioners are being asked to endorse in the Co-Owners' petition for a Certificate of Need and the right to connect their plant to our power lines.

It is worth noting that additional costs may also fall on Otter Tail and its Co-Owners of the existing Big Stone I unit as a result of modifications already made to that facility, and the Big Stone I Co-Owners' failure to adhere to the

requirements of New Source Review – the subject of a pending lawsuit by the Sierra Club. While not strictly tied to the proposal for Big Stone II, these costs may also become a factor in the Big Stone II financial picture, and could imply even higher future rates for those served by the entire Big Stone plant.

VI. *Conclusion*

The Sierra Club and its 24,000 members in Minnesota say “No” to Big Stone II because we say “Yes” to clean, renewable power, to conservation and efficiency, and to the health of people and of the global climate. We urge the Public Utilities Commission to defend the ratepayers of this state – today’s ratepayers, and all those who come after us over some fifty years, and beyond. We ask that the Commission deny the Certificate of Need, and deny the Big Stone II Co-Owners the right to connect the proposed facility to transmission lines in Minnesota.

Submitted by Christopher Childs,
Conservation Chair
Co-Chair, Clean Air & Renewable Energy Committee

Sierra Club – North Star Chapter
2327 East Franklin Avenue
Minneapolis, MN
(612) 659-9124

Steve Mihalchick

From: George Harvey [gharvey@accessmn.com]
Sent: Thursday, December 07, 2006 11:09 AM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II Project

December 7, 2006

The Honorable Steve M. Mihalchick
The Honorable Barbara J. Neilson
Office of Administrative Hearings
100 Washington Avenue South, Suite 1700
Minneapolis, Minnesota 55401

Dear Judges Mihalchick and Neilson:

I am a director for Lake Country Power, a large cooperative in the Northern regions of our state. I am also Lake Country Power's representative on the Great River Energy board. It is becoming more apparent, the need for more electric power in this state is becoming a very critical issue. Electric demand is growing statewide and especially in GRE. I am very concerned about both the energy costs and the environment. This new plant will be much more efficient while keeping the costs reduced and emissions down. It will be a good neighbor by reducing mercury emissions and other pollutants.

GRE and its partners in the Big Stone II project are committed to bringing more MW of wind power as well as the above coal-fired plant. This shows to me a commitment to become a good neighbor for the people of Minnesota in the energy field. I support this project and I encourage you to do so also.

Thank you,
George W. Harvey
Lake Country Power/Great River Energy Director

Barbara Neilson

From: bob graveline [graveline@usnd.org]
Sent: Thursday, December 07, 2006 12:33 PM
To: Barbara Neilson
Subject: Big Stone II - transmission

Dear Ms. Neilson:

My wife Jane and I are customers of Montana Dakota Utilities in Bismarck, ND. Otter Tail Corporation and MDU Resources Group, two of the Big Stone – II partners serve the majority of North Dakota's geographical area. Xcel Energy is also present in North Dakota and serves territory in and around Minot, Grand Forks, Fargo and West Fargo, North Dakota.

Presently, transmission system enhancements proposed as a part of the Big Stone – II power plant that will be built near Milbank, SD, are before your agency for review. Please be aware the transmission system scheduled to be built in Minnesota will impact not only Minnesota consumers, but will also impact consumers in North Dakota who are customers of Otter Tail and MDU.

As North Dakota consumers who will be impacted by your agency's decisions, we urge you to move quickly and approve the transmission system improvements being proposed as a part of the Big Stone – II power plant project. Time is money. Delays in permitting increase project costs that ultimately fall to consumers. Please help keep our energy costs down by moving swiftly and approving the requests for transmission enhancements necessary for Big Stone – II.

Sincerely,

Bob & Jane Graveline
149 Independence Ave.
Bismarck, ND 58503

Barbara Neilson

From: George Harvey [gharvey@accessmn.com]
Sent: Thursday, December 07, 2006 11:08 AM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II Project

December 7, 2006

The Honorable Steve M. Mihalchick
The Honorable Barbara J. Neilson
Office of Administrative Hearings
100 Washington Avenue South, Suite 1700
Minneapolis, Minnesota 55401

Dear Judges Mihalchick and Neilson:

I am a director for Lake Country Power, a large cooperative in the Northern regions of our state. I am also Lake Country Power's representative on the Great River Energy board. It is becoming more apparent, the need for more electric power in this state is becoming a very critical issue. Electric demand is growing statewide and especially in GRE. I am very concerned about both the energy costs and the environment. This new plant will be much more efficient while keeping the costs reduced and emissions down. It will be a good neighbor by reducing mercury emissions and other pollutants.

GRE and its partners in the Big Stone II project are committed to bringing more MW of wind power as well as the above coal-fired plant. This shows to me a commitment to become a good neighbor for the people of Minnesota in the energy field. I support this project and I encourage you to do so also.

Thank you,
George W. Harvey
Lake Country Power/Great River Energy Director

Steve Mihalchick

From: Stephen Rufer [srufer@charter.net]
Sent: Thursday, December 07, 2006 9:03 AM
To: Steve.Mihalchick@state.mn.us; Barbara Neilson
Subject: Big Stone II plant transmission certificate application

Attachments: Big Stone letter 12.7.06.doc; ATT73360.txt



Big Stone letter ATT73360.txt
12.7.06.doc (... (540 B)

To the Office of Administrative Hearings - Please add this letter
from me to your file in this matter. Let me know if you also require a hard copy.

- Steve Rufer

ATT73360.txt

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Stephen F. Rufer
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Mr. Steve M. Michalchick
Ms. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Avenue South, Suite 1700
Minneapolis, MN 55401

Dec. 7, 2006

Mr. Michalchick and Ms. Heilson:

I am writing to support the application of Otter Tail Power Co. for a transmission certificate of need for the Big Sone II plant.

I am a residential customer and am also involved in several businesses which are Otter Tail customers.

My strongest reason for supporting the project is my belief in energy independence for our country. At present, there is no better option to serve our energy needs. Given improvements in technology, the environment is actually better off with this new plant in place. When we have the opportunity to use our coal resources in an environmentally-friendly way, we absolutely ought and need to do so.

Coal replaces imported oil and natural gas, and I believe will do even more so in the near future as plug-in electric vehicles become available.

I am a strong supporter of wind and conservation, and I am satisfied that Otter Tail is adequately supporting these solutions as well. I am not a supporter of nuclear or more natural gas generation. This all points to the great need to go forward with Big Stone II.

Feel free to contact me if I can provide you with any additional input. I am emailing this letter so you get it quickly, but please let me know if you also require a hard copy.

Stephen F. Rufer