

**Tipsinah Mounds
Campground**

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Elbow Lake, Minnesota 56531

218-685-5114

**City of
Elbow Lake**

Box 1079
Elbow Lake, Minnesota 56531

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**Elbow Lake
Municipal Power**

Box 1079
Elbow Lake, Minnesota 56531

218-685-4135

October 27, 2006

Hon. Steve M. Mihalchick and Hon. Barbara L. Neilson
Office of Administrative Hearings
100 Washington Square, Suite 1700
Minneapolis, Minnesota 55401-2138

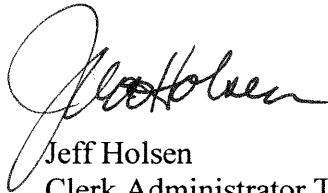
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ADMINISTRATIVE
HEARINGS

RE: Big Stone II Transmission generating plant in South Dakota

Hon. Mihalchick and Hon. Neilson,

This letter is to show our support for the planned construction of the Big Stone II Transmission generating plant in South Dakota. This plant is very important to our city and the future growth of all customers of this generating plant. Please find enclosed a resolution which was passed by the Elbow Lake Power Commission at their last meeting with the understanding that we are in support of this project.

Sincerely,



Jeff Holsen
Clerk Administrator Treasurer
City of Elbow Lake
Elbow Lake, Minnesota 56531

cc: Mayor Ed Williams
City of Elbow Lake

Bill Radio
Director MRES Public Relations

Power Commission Meeting
October 26, 2006

Pursuant to due call and notice thereof, the regular meeting of the power commission was held at 8:00 AM with the following members being present: Dale Champ, Don Nelson and Richard Kastner.

Also present: Steve Baker

Motion by Champ and seconded by Kastner to approve the September 21, 2006 minutes as presented. Motion was passed.

Motion by Kastner and seconded by Champ to pay the bills payables as presented. Motion was passed.

The cash accounts were reviewed at this time.

Commissioner Kastner introduced the following resolution and moved for its adoption and was seconded by Commissioner Champ:

RESOLUTION OF SUPPORT FOR THE BIG STONE II PROJECT

WHEREAS, the City of Elbow Lake is a member of Missouri River Energy Services (MRES), and

WHEREAS, The City of Elbow Lake purchases all its supplemental power needs from MRES to support its community growth and growing energy needs, and

WHEREAS, MRES has determined that additional base load resources are now necessary to meet the growing needs of all its member municipal electric systems, and

WHEREAS, the Big Stone II Project (BSP II) has been judged to be the most cost effective option to meet the growing needs of the City of Elbow Lake and other MRES members to ensure rate stability and service reliability on a timely basis, and

WHEREAS, BSP II will incorporate highly efficient technology that will result in a cleaner environment, including a substantial reduction in mercury, sulfur dioxide and nitrogen oxides emissions, and

WHEREAS, BSP II will construct new transmission facilities in the region to improve reliability and in conjunction with other transmission projects in the state will also accommodate development of 800-1,000 MW of additional generation beyond that needed by BSP II, including potential new renewable generation facilities, and

WHEREAS, the City of Elbow Lake finds this project consistent with its environmental record of 70 % hydro power and the balance from the cleanest possible base load generation,

NOW THEREFORE, BE IT RESOLVED, that the City of Elbow Lake fully supports the Big Stone II Project generation and transmission facilities, and

BE IT FURTHER RESOLVED, the City urges its state legislators and all state regulators to support the BSP II project based on the base load energy needs of the City and the region, the environmental considerations being shown by the project, the potential for future resource development created by the additional transmission capacity proposed by the project and the cost stability and system reliability BSP II would bring to the area.

Voting yes: all present

Voting no: none

This resolution was duly adopted this 26th day of October 2006.

There being no further business to come before the commission at this time, the meeting was adjourned at 8:50 AM.

A handwritten signature in black ink, appearing to read "Jeff Holsen". The signature is fluid and cursive, with a large initial "J" and "H".

Jeff Holsen
Clerk Admn. Treas.