

CITY OF TACONITE

PO BOX 137 Taconite, MN 55786 (218)245-1831

RECEIVED
2006 NOV 16 AM 9:07
ADMINISTRATIVE SERVICES
November 15, 2006

The Honorable Steve M. Mihalchick
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

Dear Judge Mihalchick

I write to you on behalf of the City of Taconite in support of Excelsior Energy's Mesaba Energy Project. The project will provide much-needed economic development in an environmentally friendly manner to the region.

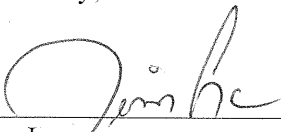
When the City of Taconite considers the Mesaba Energy Project, we see considerable economic benefits for the area. A substantial addition to the tax base, 1000 construction jobs, and over 100 permanent jobs will combine to provide direct and indirect growth opportunities. And those benefits are associated with just the first unit of the project. New and existing businesses in the area will see increased revenue thanks to the Mesaba Energy Project.

The City of Taconite is pleased that these economic development benefits do not come at the expense of the environment. The substantial emissions reductions offered by IGCC technology make this an even more appealing project.

The City of Taconite has contacted other communities where coal gasification plants have been constructed. We are excited for what the Mesaba Energy Project could do for our region.

Thank you for your consideration of our position. We hope that you share our support for the Mesaba Energy Project.

Sincerely,



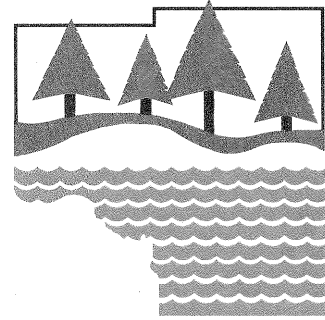
Jim Lawson Mayor

c: Excelsior Energy

ITASCA COUNTY

Courthouse
Administrative Services
123 NE 4th Street
Grand Rapids, MN 55744-2600
Office (218) 327-2847 • Fax (218) 327-2848
Telecommunication Device/Deaf (218) 327-2806

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2006 NOV 16 AM 9:06
ADMINISTRATIVE
HEARINGS



November 14, 2006

The Honorable Steve M. Mihalchick
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

The Honorable Bruce H. Johnson
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

Dear Judges Mihalchick and Johnson:

I write to you on behalf of the Itasca County Board of Commissioners in support of Excelsior Energy's Mesaba Energy Project. The project will provide much-needed economic development in an environmentally friendly way to the region.

When the Board of Commissioners considers the Mesaba Energy Project, we see considerable economic benefits for the region. A substantial addition to the tax base, 1000 construction jobs, and over 100 permanent jobs will combine to provide direct and indirect growth opportunities. And those benefits are associated with just the first unit of the project. New and existing businesses in the area will see increased revenue thanks to the Mesaba Energy Project.

The Board of Commissioners is pleased that these economic development benefits do not come at the expense of the environment. The substantial emissions reductions offered by IGCC technology make this an even more appealing project.

Thank you for your consideration of our position. We hope that you share our support for the Mesaba Energy Project.

Sincerely,

Rusty Eichorn, Chairman
Itasca County Board of Commissioners



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2006 NOV 17 AM 9:23
ADMINISTRATIVE
HEARINGS

November 14, 2006

The Honorable Steve M. Mihalchick
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

The Honorable Bruce H. Johnson
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis, MN 55401

Dear Judges Mihalchick and Johnson:

Itasca Economic Development Corporation's (IEDC) board of directors voted to support Excelsior Energy' Mesaba Energy Project locating an integrated gasification combined-cycle (IGCC) power generation facility in Itasca County.

Our organization's mission is *helping create quality jobs*. Residents of Itasca County earn approximately 25% lower wages than in the state of Minnesota. This was not the case twenty-five years ago when local residents actually earned a little more than the state's average. We believe the Mesaba Energy Project can be a positive step toward our goal of reducing unemployment and increasing the average annual wage in the Itasca area.

In April of this year, IEDC commissioned the U of M-Duluth Labovitz School's Bureau of Business and Economic Research to prepare a research report on the economic impact of constructing and operating an IGCC power generation facility on Itasca County. The completed report can be found online at www.d.umn.edu/sbe/departments/bber. The report shows that the Mesaba Energy Project will provide considerable economic benefits for the region. The first phase of the Mesaba Project will provide 1000 full time, direct construction jobs and employ approximately 100 full-time people and indirectly create well over 100 permanent jobs in Itasca County from on-going operations.

The Mesaba Energy Project will deploy the newest state-of-the-art IGCC technology and the substantial emissions reductions offered by the process make this an appealing project. We thank you for your consideration of our position and hope you share our support for the Mesaba Energy Project.

Very truly yours,

Peter McDermott
President

11/16/06

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06 NOV 20 AM 10: 29

ADMINISTRATIVE
HEARINGS

Administrative Law Judge Bruce H. Johnson
Office of Administrative Hearings
100 Washington Square, Suite 1700
Minneapolis, MN 55401-2138

Judge Bruce H. Johnson:

Please find enclosed a letter submitted to the Itasca County Board of Commissioners.

I am a resident and concerned citizen of Itasca County and wish that you would take the time to note practices that are occurring in our local government.

Issues that so greatly affect our community should be put on the meeting agenda and given adequate prior notice for the public to be aware and have an opportunity for public input. Agenda items shouldn't be hand delivered and dictated by the interested party involved.

Respectfully Submitted,
Amanda Nesheim
30994 Bat Roost Trail
Bigfork, MN 56628

11/16/06

Itasca County Commissioners
123 NE 4th Street
Grand Rapids, MN 55744

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HEARINGS

CC:

Burl Haar, MN Public Utilities Commission
Administrative Law Judge Steve M. Milhalchick
Administrative Law Judge Bruce H. Johnson
Eilon Amit, MN Department of Commerce
William Blazar, MN Chamber of Commerce

Itasca County Commissioners:

It has come to my attention that at the County Commissioners' public meeting on November 14, 2006, letters on behalf of the Itasca County Board of Commissioners supporting the Mesaba Energy Project were submitted to the MN Public Utilities Commission, Administrative Law Judges Steve M. Milhalchick and Bruce H. Johnson.

As a resident of Itasca County I strongly disapprove and object to the Board's actions. Not only was this item not on the agenda so the public was not informed and could not comment on the Board's actions, the submitted letter was orchestrated by Pat Micheletti, Excelsior Energy's Director of Public and Community Affairs.

The letter states; "*A substantial addition to the tax-base....*". The Mesaba Energy Project has been exempted from personal property taxes on "*attached machinery and other personal property which is part of an electric generating facility that meets the requirements of this subdivision is exempt.*" (quoted from Minn. Stat. §272.02, Subd. 55). In addition, property values have been shown to drop significantly for residential and community business owners surrounding power plants, such as what is being proposed here, which in turn will reduce the property tax base for Itasca County. Also the economic benefits of this project are being disputed by the MN Department of Commerce and the MN Chamber of Commerce.

The letter states; "*The Board of Commissioners is pleased that these economic development benefits do not come at the expense of the environment. The substantial emissions reductions offered by IGCC technology make this an even more appealing project.*" Where does the Itasca County Board of Commissioners draw this conclusion? Excelsior Energy has submitted documentation to the Public Utilities Commission stating the adverse health and environmental impacts to this community. In addition, Excelsior Energy does not have plans to fully utilize the IGCC technology to reduce Carbon Dioxide emissions and the emissions that are reduced are not substantially less than state-of-the-art coal-burning power plants.

Finally, the letter submitted by the Itasca County Board of Commissioners does not reflect the large and expanding opposition from the community to this project.

Sincerely,
Amanda Nesheim
30994 Bat Roost Trail
Bigfork, MN 56628



Municipal Building
206 Kennedy Memorial Drive
Hoyt Lakes, Minnesota 55750-1140

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2006 NOV 21 AM 9:10
ADMINISTRATIVE
HEARINGS

www.hoytlakes.com
e-mail: info@hoytlakes.com

Phone: (218) 225-2344
FAX: (218) 225-2485

November 20, 2006

The Honorable Steve M. Mihalchick
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis MN 55401

The Honorable Bruce H. Johnson
Administrative Law Judge
100 Washington Square
Suite 1700
Minneapolis MN 55401

Dear Judges Mihalchick and Johnson:

I write to you on behalf of the City of Hoyt Lakes in support of Excelsior Energy's Mesaba Energy Project. The project will provide much needed economic development in an environmental friendly way to the region.

When the City of Hoyt Lakes considers the Mesaba Energy Project, we see considerable economic benefits for the region. A substantial addition to the tax base, 1,000 construction jobs, and over 100 permanent jobs will combine to provide direct and indirect growth opportunities and those benefits are associated with just the first unit of the project. New and existing businesses in the area will see increased revenue thanks to the Mesaba Energy Project.

The City of Hoyt Lakes is pleased that these economic development benefits do not come at the expense of the environment. The substantial emissions reductions offered by IGCC technology make this an even more appealing project.

Thank you for your consideration of our position. We hope that you share our support for the Mesaba Energy Project.

Sincerely,

Marlene Pospeck
Mayor

Steve Mihalchick

From: Art Syverson [lasyver@prtcl.com]
Sent: Saturday, November 25, 2006 5:13 PM
To: Steve.Mihalchick@state.mn.us
Subject: Excelsior Energy's proposed coal gasification plant

Honorable Judge Mihalchick,

I am Dr. Leslie Syverson, along with my wife, Lela, have been residents of Minnesota for over 76 years. I am a member of the MUI Fergus Falls Action Team and I have also served two terms on the Minnesota Utility Investor's Board of Directors.

Lee and I, are concerned about Excelsior's proposal for a power-purchase agreement with Xcel Energy. Xcel Energy would be forced to purchase energy it doesn't need and to deal with the uncertainties of cost and reliability of the power produced by Excelsior Energy's new plant. There are a number of other concerns, such as how the power will be transmitted to where it will be needed, as one example.

We encourage to vote against Excelsior Energy's PPA with Xcel Energy.

Sincerely,

Leslie A. Syverson, MD, Emeritus
1124 Village Circle #312
Fergus Falls, MN 56537

Steve Mihalchick

From: Clair Ewert [ewert@us.ibm.com]
Sent: Wednesday, November 22, 2006 9:53 AM
To: Steve.Mihalchick@state.mn.us
Subject: Power Purchase Agreement Between Excelsior Energy and Excel Energy

My family has lived in Minnesota for the past 37 years. I have worked as a Business Planner for a major corporation. I don't see how the public interest can be served by this power purchase agreement. Assume I am looking at creating a very large dairy operation and looking for customers.

I am asking you to commit to purchase one gallon of milk each day starting in 2012. You have no way of knowing if you will need one gallon of milk each day in 2012 or what the price would be. This is similar to what you are asking Excel Energy to do by purchasing power from Excelsior Energy.

This model does not make any business sense. I encourage you to do the correct thing for the public is put an end to this agreement. Thanks for reading this

Sincerely

Clair Ewert
2321 4 Ave N.W.
Rochester MN 55901

NOV. 23, 2006

Richard & Harriet Sperle
1302 Kendon Lane
Mendota Heights, MN 55120-1122

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Dear Judge Mihalechick & Judge Johnson

My name is Richard Sperle and my wife's name is Harriet. We have lived in Minnesota all our adult lives. We are customers and shareholders of Xcel Energy.

We encourage you not to force Xcel Energy to sign a power purchase agreement on the Xcel in Energy deal. We could be negatively hit - as customers and shareholders.

Sincerely

Richard Sperle
Harriet F. Sperle
1302 Kendon Lane
Mendota Heights, MN
55120-1122

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2006 NOV 27 AM 9:38

ADMINISTRATIVE
HEARINGS

Administrative Law Judges
Steve Mihalchick & Bruce Johnson
Office of Administrative Hearings
100 Washington Square #1700
Minneapolis, MN 55401-2138

November 22, 2006

Gentlemen:

We are Russ and June Hanson. Minneapolis is our birthplace and we have live here for all but a few of our eighty plus years. The period 'away' was called WWII. June worked in a war plant in Seattle and I served aboard the USS Haida, a Coast Guard cutter, in the North Pacific. We returned and have made our home here for these past 61 years.

We are writing to you because we strongly oppose, for several reasons, the proposed Power Purchase Agreement we feel is being forced on Xcel Energy.

This agreement if ratified will in effect force Xcel Energy to buy base load power it does not and will not need inasmuch as Xcel Energy's Resource plan will meet or exceed its requirements for baseload energy projected for 2015 with environmentally friendly wind and hydro electric power.

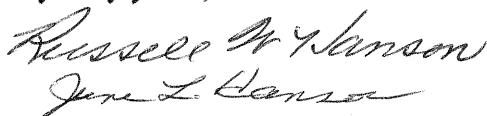
While Excelsior Energy's proposed power plant will be a considerable benefit to the Iron Range, it is not right that the *risks* of this project, i.e. the forced sale of enough output to make the enterprise profitable, be placed on the remainder of the State, Xcel Energy, it's customers nor it's shareholders, the latter being hit twice, more money going out via higher energy bills and money coming in by reduced dividends. We, and most of our fellow investors are just middle class folks, not utility tycoons, and we will notice that difference in our living. We wish for you to include this in your deliberations.

The Excelsior Project does not include a plan to capture carbon dioxide the concern of which is mounting steadily as it effects global warming.


Please support our position for the reasons we have set forth above and rule against approval of the Purchase Power Agreement.

Thank you for your consideration.

Very truly yours,



Russell W. Hanson, June L. Hanson
9020 Sutton Drive
Eden Prairie, MN 55347

 Thomas J. Pacholl *f Rita Otte*
1181 Edgcombe Rd. Apt. 1115
Saint Paul, MN 55105-2835

Nov, 23, 2006

Ad. Jan Judge Steve Michalchick
Office of Administrative Hearings
100 Washington Square #1700
Mpls, MN, 55401 - 2138

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HEARINGS

Dear Judge Michalchick:

My name is Thomas Pacholl & my wife Rita Otte have written you recently about the Big Stone project which we support.

We do not support the Exelsior Energy approach asking the PUC to approve a power purchase agreement between them and Xcel Energy. If there is no market for their product and obviously Allete doesn't see one, why force the issue. Xcel already has a mandate from the Minnesota legislature to buy power from Wind, Biomass, etc.

There are so many uncertainties in the proposal we would have you defer action on the request by Exelsior Energy until it can come up with up to date production, transmission, & a market need for its plan.

Sincerely,
Thomas J. Pacholl
Rita Gillen Otte