

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY CERTIFIED AND ORDINARY MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **five** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of.

Order

The envelopes were addressed as follows

James P Johnson
Northern States Power Company
800 Nicollet Mall Ste 2900
Minneapolis MN 55402
Cert. No. 7003 2260 0001 3516 8835

Bruce Gerhardson
Otter Tail Corporation
215 S Cascade St
Fergus Falls MN 56538-0496
Cert. No. 7003 2260 0001 3516 8842

Sharon Helbling further deposes and says that on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same

Dan Kuntz
P O Box 1695
Bismarck ND 58502-1695

Dave Sederquist
Xcel Energy
P O Box 2747
Fargo ND 58102-2747

16 PU-400-03-668

Pages 2

Affidavit of Service

by Public Service Commission

06/09/2005

CC Comm Legal Illona Pat

Each address shown is the respective addressee's last reasonably ascertainable post office address

Sharon Hedding

Subscribed and sworn to before me
this **9th day of June, 2005.**

Sandra L. Scott

Notary Public

SEAL

110.4%.46-ds.....*
SANDRA L SCOTT 0
Notary Public /
State of North Dakota I
My Commission Expires June 11, 2010 I

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that

she is over the age of 18 years and not a party to this action and, on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, each containing a photocopy of.

Notice of Opportunity for Hearing and Notice of Informal Hearing

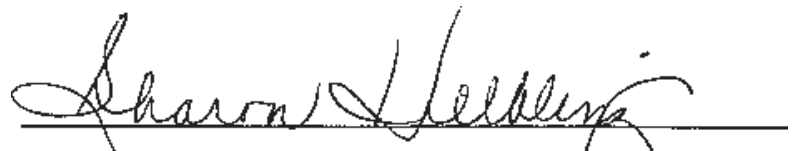
The envelopes were addressed as follows'

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address

Subscribed and sworn to before me
this **9th day of June,**

SANDRA I. SCOTT
Notary Public
State of North Dakota
My Commission Expires June 11, 2010



Notary Public

SEAL

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MOTION

June 8, 2005

APPROVED

PP, E. **6-1-0**
/ii/F--

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

I move the Commission adopt the Order and issue certificates of public convenience and necessity to Northern States Power Company d/b/a Xcel Energy and Otter Tail Corporation d/b/a Otter Tail Power Company for certain 230 kV electric transmission facilities constructed between Harvey, North Dakota and the Canadian border, Case Nos PU-400-03-668 and PU-2805-03-677.

JRL/sdh

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

ORDER

June 8, 2005

On August 30, 2000, in Case No. PU-401-99-586, the Commission issued Certificate of Site Corridor Compatibility for a Transmission Facility Corridor (Corridor Certificate) No. 77 to Otter Tail Power Company, (Otter Tail) now a division of Otter Tail Corporation, designating a six-mile wide transmission corridor for approximately 40 miles of 230 kV electric transmission facilities to be constructed between Harvey and Rugby, North Dakota. The proposed facilities included a new 230 kV switching station to be constructed near Balta, North Dakota (Balta Switching Station). On October 25, 2000 the Commission issued Route Permit for the Construction of a Transmission Facility (Route Permit) No. 87 to Otter Tail authorizing construction of the proposed facilities, which were placed into service in late 2002. After the corridor certificate and route permit were issued, Otter Tail and Northern States Power Company d/b/a Xcel Energy (NSP) reached an agreement that NSP would own and operate the Balta Switching Station.

On December 29, 2000 in Case No. PU-2280-00-200, the Commission issued Corridor Certificate No. 79 and Route Permit No. 89 jointly to NSP and Otter Tail as project partners in the construction of approximately 56 miles of 230 kV electric transmission facilities constructed between Rugby, North Dakota and the Canadian border. The corridor certificate and route permit were transferred solely to NSP on May 8, 2002 in Case No. PU-400-02-77. The facilities were placed into service in late 2002.

On July 17, 2003 the Director of the Commission's Public Utility Division sent a letter to NSP and Otter Tail asking why neither company applied for a certificate of public convenience and necessity (PC&N) prior to construction. Both companies filed timely responses contending that no certificate was required. On August 26, 2003 the Commission's chief counsel submitted a memorandum disagreeing with the companies contentions. On August 29, 2003 the Commission sent a letter requesting both companies submit post-construction applications.

On November 26, 2003, in Case No. PU-400-03-668, NSP filed a post-construction application for a PC&N under N.D.C.C. chapter 49-03 to construct and operate (a) approximately 56 miles of 230 kV electric transmission facilities constructed

between Rugby, North Dakota and the Canadian border; and (b) the 230 kV Balta Junction Switching Station located in Pierce County, North Dakota.

On December 3, 2003, in Case No. PU-2805-03-677, Otter Tail Corporation d/b/a Otter Tail Power Company (Otter Tail) filed a post-construction application for a PC&N to construct and operate approximately 40 miles of 230 kV electric transmission line constructed between Harvey and Rugby, North Dakota.

On December 18, 2003, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing, which scheduled an informal hearing on both applications for January 28, 2004 and provided until January 20, 2004 for receiving written comments or hearing requests. No comments or hearing requests were received. The informal hearing was held as scheduled. The Commission's notice identified the following issues to be considered:

1. Whether Public Convenience and Necessity will be served by construction and operation of the transmission facilities.
2. Whether the applicants are fit, willing and able to provide service.

Following the informal hearing it was decided to wait with further processing of both PC&N applications until the corridor certificate and route permit authorities then held by Otter Tail for the Balta Junction Switching Station could be transferred to NSP. That transfer was completed on May 3, 2005, when the Commission issued Certificate of Corridor Compatibility for a Transmission Facility No. 86 and Route Permit No. 96 to NSP for the Balta Switching Station in Case No. PU-05-124.

NSP serves approximately 1.3 million retail electric customers in North Dakota, Minnesota and South Dakota while owning and operating approximately 4,100 miles of transmission line (34.5 kV and above) and 466 substations with a net book value of approximately \$804 million.

Otter Tail serves approximately 127,000 retail electric customers in eastern North Dakota, western Minnesota and northeastern South Dakota. Otter Tail owns and operates approximately 5,300 miles of transmission facilities 41.6 kV and above with a net book value of approximately \$113 million.

The facilities for which NSP and Otter Tail seek certification were constructed as part of a joint project with Manitoba Hydro (MH) known as the Harvey-Glensboro project, consisting of approximately 153 miles of 230 kV electric transmission line and associated facilities between Harvey, ND and Glensboro, Manitoba. NSP contracted with Otter Tail to construct and maintain the portion of the project owned by NSP.

The Harvey—Glensboro project was planned through the Mid-Continent Area Power Pool (MAPP) regional transmission planning processes and approved by the MAPP Design Review Subcommittee (DRS). The DRS conducted a technical review to evaluate anticipated benefits and ensure the project would not be detrimental to other electric utilities in the region:

The Harvey-Glensboro project provides increased load serving ability needed in north central North Dakota. The MAPP Red River Valley Subregional Planning Group (RRV SPG) had long identified problems with the 115 kV system between Devils Lake

and Minot. Problems arose when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot-Devils Lake 115 kV facility. A loss on the 230 kV facility caused unreliably low voltage on the Minot- Devils Lake facility, in some instances falling below acceptable MAPP reliability criteria. Outages on the 115 kV system between Devils Lake and Minot also caused low voltage situations. The Harvey-Glensboro project strengthens the transmission grid and resolves the problem of sagging voltages in north central North Dakota. The project also enhances transmission reliability in southwestern Manitoba.

The Harvey-Glensboro project provides an incremental 200 MW of northward and southward transfer capability between the United States and Manitoba. The additional transfer capability fulfills requirements of diversity exchange agreements between MH and NSP while increasing export capabilities for North Dakota Generation and providing MH with needed access to operating reserves associated with the MAPP Generation Reserve Sharing Pool.

The Commission finds public convenience and necessity is served by construction and operation of the Harvey-Glensboro project.

The Commission finds that NSP and Otter Tail are fit, willing and able to provide service.

Order

The Commission Orders:

1. The post-construction application of Northern States Power Company d/b/a Xcel Energy filed in Case No. PU-05-668 for certificates of public convenience and necessity to construct and operate electric transmission facilities in North Dakota is GRANTED.
2. The post-construction application of Otter Tail Corporation d/b/a Otter Tail Power Company filed in Case No. PU-05-677 for a certificate of public convenience and necessity to construct and operate electric transmission facilities in North Dakota is GRANTED.

PUBLIC SERVICE COMMISSION

	1		ABSENT
Susan E. Wef I Commissio		Toy Clark President	Kevin Cramer Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5242

This is to certify that public convenience and necessity require, and permission is granted for Northern States Power Company, to construct and operate a 230 kV electric transmission line originating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota, and proceeding in a northerly direction for approximately 56 miles, terminating in Township 164N, Range 69W, Section 26 in Rolette County near Rolla, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-400-03-668, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Northern States Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION

Executive

tary

Commissioner

A. . A **SoLD**

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5243

This is to certify that public convenience and necessity require, and permission is granted for Northern States Power Company, to construct and operation the 230 kV Balta Junction Switching Station located in Section 6, Township 153N, Range 72W, Pierce County, North Dakota.


This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-400-03-668, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Northern States Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5244

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Corporation to construct and operate a 230 kV electric transmission line originating in Township 150N, Range 73W, Section 22 in Wells County near Harvey, North Dakota, and proceeding in a northerly direction for approximately 40 miles, terminating in Section 7, Township 156N, Range 72W, Pierce County, near Rugby, North Dakota.


This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-2805-03-677, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Otter Tail Corporation securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

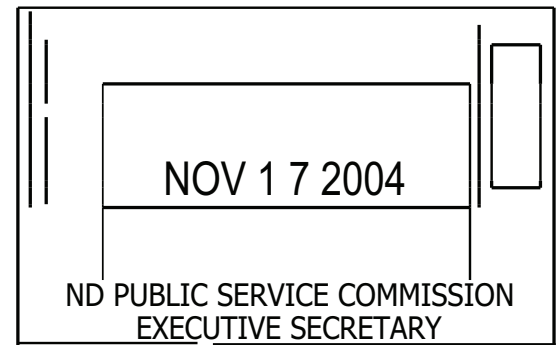
MEMORANDUM

To: Commissioners Clark, Cramer and Wefald

Fr: Jerry Lein

Da: November 16, 2004

Re: Update on NSP & OTP Harvey-Glenboro Transmission Line PC&N Applications, Case Nos PU-400-03-668 and PU-2805-03-677.



Following the informal hearing held January 28, 2004, it was discovered that Otter Tail held siting permits for the Balta substation while NSP was requesting a PC&N for the facility. NSP explained that the original plan was for the Balta substation to be owned by Otter Tail as part of the Harvey-Rugby 230 kV transmission line along which it is located. However, prior to construction, NSP agreed to invest in this facility (about \$6 million) to help "equalize" its overall investment in transmission facilities in North Dakota relative to its loads.

The Balta substation is a 230 kV switching station that interconnects the Otter Tail Harvey-Rugby and Great River Energy (GRE) McHenry-Ramsey 230 kV transmission lines. The Balta substation was constructed as part of the Harvey to Rugby project for which Otter Tail was issued a route permit and corridor certificate in Case No. PU-401-99-486. Otter Tail and NSP were jointly issued a corridor certificate and route permit for the remaining portion of the Harvey-Glenboro project from Rugby to the Canadian border in Case No. PU-2280-00-200. The Commission later reissued the corridor certificate and route permit for the Rugby-Border portion solely to NSP in Case No. PU-400-02-77, but the Balta substation remained under the corridor certificate and route permit issued to Otter Tail in Case No. PU-401-99-486.

Staff participated in a conference call where a March 2004 Letter of Intent between NSP and GRE was discussed. The Letter was for NSP to transfer ownership of the Balta substation and certain other facilities to GRE in exchange for certain facilities primarily associated with the Chisago substation in Minnesota. It was agreed during the call that the PC&N applications would be put on hold with hopes that NSP, OTP and GRE could soon submit a single filing package to (a) obtain approval of the NSP/GRE asset exchange under NDCC 49-04-05, (b) transfer the siting permits for Balta from OTP to NSP to GRE, and (c) terminate the Balta PC&N effective with the change in ownership to GRE.

However, NSP now reports that the date for completion of the definitive asset exchange agreement is uncertain. All the milestones in the Letter Of Intent have been delayed while both companies have been forced to dedicate resources to MISO and other FERC proceedings. Therefore, NSP is now working with Otter Tail and hopes to file an application within the coming month or sooner to transfer siting authority for the Balta substation to NSP so that PC&Ns can then be issued.

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11 PU-400-03-668

Pages 1

Update on NSP & OTP Harvey-Glenboro
Transmission Line
by Public Service Commission

11/17/2004

CC, Ccmrr Legal Nona Pat

11 PU-2805-03-677

Pages 1

Update on NSP & OTP Harvey-Glenboro
Transmission Line
by Public Service Commission

11/17/2004

CC Comm Legal Krona Jerry

INFORMAL HEARING AGENDA

January 28, 2004

PU-2342-03-569	Qwest Corporation Performance Indicator Definitions Approval
PU-2342-03-632	Qwest Corporation Performance Assurance Plan Approval
PU-2961-03-634	Shell Pipeline Company, LP Transfer Permit and PC&N Application
PU-2805-03-677	Otter Tail Corporation Harvey to Rugby Transmission Line Public Convenience and Necessity
PU-400-03-668	Northern States Power Company Rugby to Border Transmission Line Public Convenience and Necessity
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Shelly: These go on in the order as listed

9	PU-2342-03-569	Pages 0	7	PU-2961-03-634	Pages 0
	Informal Hearing held by Public Service Commission 01/28/2004	CC Comm Legal PUD (3)		Informal Hearing held by Public Service Commission 01/28/2004	CC Comm Legal Illona Jerry
8	PU-2342-03-632	Pages 0	10	PU-2805-03-677	Pages 0
	Informal Hearing held by Public Service Commission 01/28/2004	CC Comm Legal PUD (3)		Informal Hearing held by Public Service Commission 01/28/2004	CC Comm Legal Illona Jerry
			10	PU-400-03-668	Pages 0
				Informal Hearing held by Public Service Commission 01/28/2004	CC Comm Legal Illona Pat

Xcel Energy

James P Johnson
Assistant General Counsel

800 Nicollet Mall, Suite 2900
Minneapolis, Minnesota 55402
Phone **612 215 4592**
Fax 612 215 4544

January 19, 2004

JAN 20 2004

Mr Jon Mielke
North Dakota Public Service Commission
State Capitol -- 12th Floor
600 East Boulevard
Bismarck, ND 58505

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Re Application of Northern States Power Company
d/b/a Xcel Energy for a Post-Construction Certificate
of Public Convenience and Necessity for Certain 230 kV
Transmission Facilities in the State of North Dakota
Case No. PU-400-03-668

Dear Mr Mielke

Enclosed are an original and seven copies of the Affidavit of Donald P Jones addressing the issues set forth in the Notice of Opportunity for Hearing and Notice of Informal Hearing as requested by the Commission in its letter dated December 18, 2003.

Please direct any questions regarding this Affidavit to the undersigned at (612) 215-4592 or Mr Dave Sederquist at (701) 241-8632

Sincerely,

aw/ ? , AY^{14z7A}- v
James P Johnson
Assistant General Counsel
Xcel Energy Services Inc

Enclosures

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STATE OF NORTH DAKOTA '
BEFORE THE
PUBLIC SERVICE COMMISSION

JAN 20 2004

In the Matter of
Northern States Power Company
d/b/a Xcel Energy
Rugby to Border Transmission Line
Public Convenience and Necessity

JAN 20 2004

AFFIDAVIT OF DONALD P. JONES

The undersigned, being first duly sworn under oath, declares and states as follows:

1. My name is Donald P. Jones. I am Director of Transmission Asset Management for Xcel Energy Services Inc., the service company within the Xcel Energy Inc. holding company system My function is within the Transmission and Planning department of the Customer and Field Operations ("C&FO") business unit In my position, I provide services to the utility operating company subsidiaries of Xcel Energy Inc., including Northern States Power Company d/b/a Xcel Energy ("NSP" or "the Company"), the Applicant in this proceeding. My current responsibilities include Transmission Planning, Transmission Reliability Planning and Transmission Asset Management I am a registered professional engineer in the State of Wisconsin.

2. In my position, I am familiar with the application by the Company for a post-construction Certificate of Public Convenience and Necessity ("CPCN Application") in the instant docket. In the CPCN Application, the Company requests any necessary post-construction authorizations required to construct, own and operate (a) approximately 56 miles of 230,000 volt (230 kV) three-phase alternating current ("AC") transmission

facilities from an interconnection with Otter Tail Power Company ("OTP") near Rugby, North Dakota to an interconnection with the Manitoba Hydro Electric Board ("Manitoba Hydro") at the United States/Canadian border north of Rolla, North Dakota, and (b) a new 230 kV substation located near Balta, North Dakota, which interconnects existing 230 kV transmission facilities of OTP and Great River Energy. In the remainder of my affidavit, the Rugby to Rolla 230 kV Transmission Line and the Balta Substation will be referred to jointly as the "230 kV Facilities "

3. In my position I am also familiar with the Certificate of Comdor Compatibility and Route Permit granted to the Company and OTP by the Commission in Case No PU-2280-00-200 ("Initial Application") and later transferred to the Company in Case No. PU-400-02-77 ("Transfer Application") Specifically, on December 29, 2000, the Commission issued an order ("Initial Order") granting the Certificate Application and issuing Certificate of Comdor Compatibility No 79 ("Comdor Certificate") and Route Permit No. 89 ("Route Permit") jointly to NSP and OTP as the Project Partners to construct the 230 kV Transmission Line from Rugby to the border By further order dated May 8, 2002 ("Transfer Order"), the Commission approved the Transfer Application and transferred the Comdor Certificate and Route Permit from OTP and NSP as Project Partners to only NSP.

4 The purpose of my Affidavit is to support the post-construction CPCN Application by the Company and to respond to the Notice of Opportunity for Hearing and Notice of Informal Heanng ("Notice") issued on December 18, 2003, and the letter from the Commission to the Company on December 18, 2003 requesting submission of one or more affidavits in support of the CPCN Application

5 The Notice indicates the issues to be considered at the informal hearing are (a) whether the Public Convenience and Necessity will be served by the construction and operation of the 230 kV Facilities, and (b) whether the Company is fit, willing and able to provide service

6. With regards to the first issue, the Public Convenience and Necessity will be served by the construction and operation of the 230 kV Facilities for the reasons stated in the CPCN Application, which is true and correct to the best of my knowledge

Specifically, the 230 kV Facilities were planned and constructed in coordination with OTP and Manitoba Hydro to provide for efficient investment in the regional transmission grid in order to avoid duplication of facilities, and were planned and approved through the Mid-Continent Area Power Pool ("MAPP") regional planning processes and approved by the MAPP Design Review Subcommittee ("DRS") in order to avoid interference with the service or system of any other MAPP member utility.

Attachment 1, Exhibit 1 to the CPCN Application included portions of the Initial Application describing the need for the 230 kV transmission line from Rugby to Rolla in more detail. Prior to construction of the 230 kV Facilities, and the associated 230 kV facilities of OTP and Manitoba Hydro, transmission reliability in North Dakota was at risk. Construction of the new 230 kV facilities by the three utilities provides a much more robust and reliable transmission grid, which in turn provides more reliable retail service to businesses and retail consumers in the region. A copy of Attachment 1, Exhibit 1 to the CPCN Application is included as Attachment 1 to this Affidavit. Attachment 1 to my affidavit is true and correct to the best of my knowledge.

Attachment 1, Exhibit 2 to the CPCN Application provided a copy of narrative portions of the MAPP DRS study of the 230 kV Facilities and the associated OTP and Manitoba Hydro 230 kV facilities. Attachment 2 to my affidavit is a copy of Attachment 1, Exhibit 2 to the CPCN Application. This narrative from the DRS study describes (a) the benefits of the 230 kV transmission line and the Balta substation to the regional transmission grid, and (b) the technical analysis reviewed by the DRS to ensure installation of the 230 kV Facilities achieve the anticipated benefits and would not be detrimental to other electrical utilities in the region, including North Dakota. Attachment 2 to my affidavit is true and correct to the best of my knowledge (The Initial Application in Docket No. Case No PU-2280-00-200 included a complete copy of Volume 1 of the MAPP DRS study, if the entire study is of interest to the Commission in this case)

The 230 kV Facilities did not result in any change to the Company's retail electric service area. The Company's retail electric customers will continue to be served by the Company under applicable tariffs, rules, and regulations, on file with the Commission. Construction of the 230 kV Facilities also had no impact on the Company's current retail electric rates in North Dakota. However, construction of the 230 kV Facilities provides for an orderly and economic development of regional transmission facilities needed to preserve electric service reliability in North Dakota and neighboring states.

In addition, as described in the narrative portions of the MAPP DRS study contained in Attachment 2 to my affidavit, construction of the 230 kV Facilities allowed the Company to fulfill contractual obligations regarding a specified level of "design transfer capability" from the Company's system to the Manitoba Hydro system. (Manitoba Hydro is under corresponding obligations regarding the design transfer

capability from its system to the Company's system.) This transfer capability allows the Company to, *inter alga*, deliver electric capacity and energy to Manitoba Hydro under our diversity exchange agreements, which were executed to provide more efficient use of our respective generation capacity: Manitoba Hydro delivers capacity and energy to Xcel Energy during the Summer Season (to serve our summer-peaking loads), and Xcel Energy delivers capacity and energy to Manitoba Hydro in the Winter Season (to serve Manitoba Hydro's winter peaking loads) The levels of design transfer capability thus make possible more efficient use of Xcel Energy and Manitoba Hydro generating capacity and access to competitively priced generation during peak seasons, both of which provide benefits to our retail customers

Finally, as described in the Transfer Application (Docket No PU-400-02-77) and the CPCN Application (pp. 13), the Company and OTP agreed to the Company's ownership of the 230 kV Facilities in order to, *inter alga*, increase the Company's relative investment in transmission facilities in North Dakota relative to the Company's loads in North Dakota. By planning and constructing the 230 kV Facilities in conjunction with the associated OTP and Manitoba Hydro 230 kV projects, and under the technical review of the MAPP DRS, the Company, OTP and Manitoba Hydro were able to provide a significant regional reliability upgrade and avoid unnecessary duplication of facilities.

As such, the Company's construction and operation of the 230 kV Facilities will serve the public convenience and necessity, in my opinion.

7 With regards to the second issue set forth in the Notice, the Company is an experienced electric generation, transmission and distribution utility with the expertise and resources to manage construction of the 230 kV Facilities, and to operate and

maintain the 230 kV Facilities once in service. The Company is therefore fit, willing and able to provide service Specifically:

Financial Capabilities. The Company presently serves approximately 88,000 retail electric customers in and around Fargo, Grand Forks and Minot, North Dakota, as of December 31, 2003. The Company owns approximately 256 miles of transmission facilities 69 kV and above in North Dakota and 12 substations, with a net book value of \$41.2 million (YE 2002). Over its three state service area (North Dakota, South Dakota and Minnesota), the Company serves more than 1.3 million retail electric customers. The 230 kV Facilities were installed in fourth quarter 2002 at a total cost of approximately \$19 million. See CPCN Application, p. 9. By comparison, I have been informed that (a) the Company's total 2002 YE net assets and revenues were \$3.7 billion and \$2.9 billion, respectively; and (b) the Company presently has the following ratings on its senior secured debt securities: A3 (Moody's) and BBB+ (Standard & Poors)

Technical Capabilities: The 230 kV Facilities were constructed and will be operated at 230 kV. This is a standard Company transmission system voltage, and the design, operation and maintenance of the 230 kV Facilities will be consistent with the National Electric Safety Code (*see* N.D.C.C. 43-09-21) and applicable Federal Energy Regulatory Commission ("FERC"), North American Electric Reliability Council ("NERC") and MAPP requirements. The 230 kV Facilities were thus designed consistent with good utility practice. The 230 kV Facilities are operated within the OTP NERC-certified electrical control area.

Management Capabilities: The 230 kV Facilities were constructed by OTP as general contractor for NSP in 2002, and placed in service in fourth quarter 2002. The

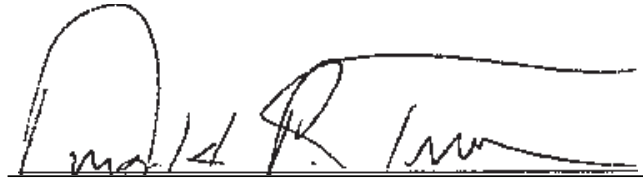
230 kV Facilities will be maintained by OTP personnel through a maintenance services agreement with the Company. OTP is also an experienced electric generation, transmission and distribution utility with the expertise and resources to construct, control and maintain the 230 kV Facilities as a vendor for the Company. By contracting with OTP, which has experienced transmission construction and maintenance personnel located in North Dakota, the Company was able to assure appropriate maintenance of the 230 kV Facilities at a lower total cost, since the 230 kV Facilities are non-contiguous to the remainder of the Company's transmission system.

As such, the Company is fit, willing and able to provide service through the 230 kV Facilities, in my opinion.

8. The Company thus respectfully urges the Commission to promptly grant the requested CPCN for the 230 kV Rugby to Rolla transmission line and the Balta Substation on a post-construction basis, all as described in the CPCN Application.

9. To the best of my knowledge and belief, the information contained in the Application and this Affidavit is true and correct.

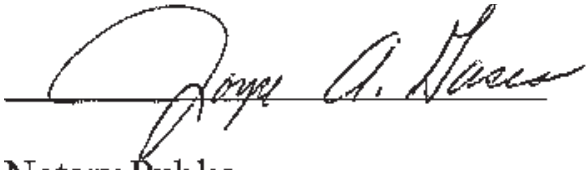
FURTHER AFFIANT SAYETH NOT:



Dona Jones, Director
Transmission Asset Management
Xcel Energy Services Inc.

On behalf of Northern States Power
Company d/b/a Xcel Energy

Subscribed and sworn to before me, this ____ day of January, 2004.



Notary Public

ANWANNWAMAAMAAMAMMA~M
JOYCE A GASCA
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan 31, 2005
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ATTACHMENT 1

**Attachment 1, Exhibit 1, to the Certificate
of
Public Convenience and Necessity**

Svingen, Athens, Russell, Hagstrom, Haugrud & Karkela, PLLP

R Kristian Svingen
Robert L Russell
Dennis W Hagstrom
Allen Haugrud
Terry A Karkela -
Bruce G Gerhardson
J Chne

Associates
David J Eilertson
Ryan E Ries

3f Counsel:
Thomas C Athens



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Offices in

Fergus Falls
Perham
Battle Lake

Weekly Office Hours

Dalton
Underwood

September 8, 2000

Mr. John H. Melke
Executive Secretary
North Dakota Public Service Commission
State Capitol — 600 E. Boulevard
Bismarck, ND 58505-0480

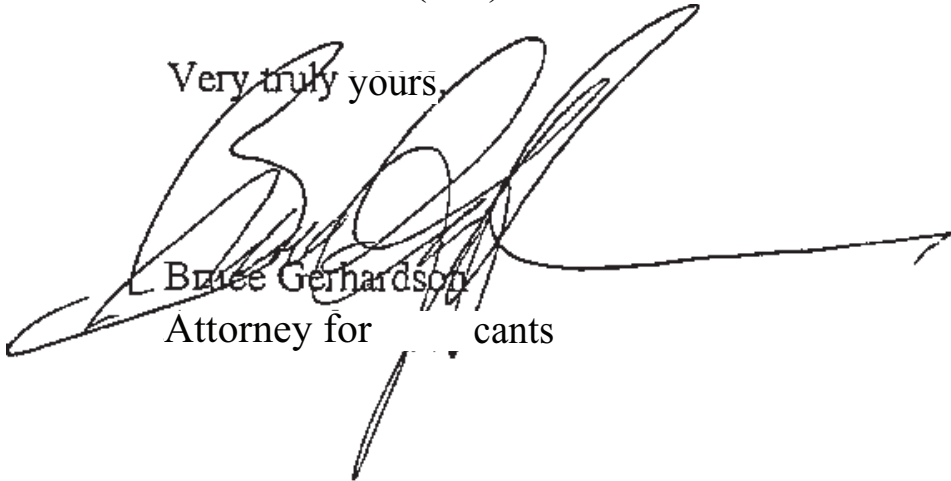
**Re: In the Matter of Otter Tail Power Company and Northern States
Power Company's Application for a Waiver of Procedures and Time
Schedules and Consolidated Applications for a Certificate of
Corridor Compatibility and Route Permit for a 230 kV Transmission
Facility from Rugby to the Canadian Border.
Case No. PU-2280-00-200**

Pursuant to §§ 49-22-08 of the North Dakota Century Code, the Energy
Conversion and Transmission Facility Siting Act, and rules promulgated thereunder,
enclosed for filing please find:

1. An original and ten (10) copies of an Application for a Waiver of Procedures
and Time Schedules and Consolidated Applications for a Certificate of
Corridor Compatibility and Route Permit for a 230 kV Transmission Facility
from Rugby to the Canadian Border, with exhibits.
2. A \$65,000 filing fee

Should you have any questions with respect to this filing, please contact Bruce
Gerhardson at (218) 736-5456.

Very truly yours,


Bruce Gerhardson
Attorney for _____ cants

Also admitted to practice in ND Civil Trial Specialist Certified by the Minnesota State Bar Association Qualified ADR Neutral Civil Mediation/Arbitration
Real Property Law Specialist Certified by the Minnesota State Bar Association Qualified ADR Neutral Civil & Family Mediation/Arbitration

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I. INTRODUCTION

This is an Application for a Certificate of Corridor Compatibility by Otter Tail Power Company and Northern States Power Company ("Project Partners"). Although separate and apart from, it is to be reviewed in conjunction with the Project Partners Route Permit Application. The Project Partners seek siting approval for a 230,000 Volt (230 kV) transmission line corridor from Rugby to the Canadian border north of Rolla, North Dakota. (See Exhibit 1)

The proposed facility is a 230 kV transmission line that will extend 53 miles from Rugby to the Canadian border. (see Exhibits 1 and 2). At its proposed southern terminus, the proposed facility will tie to Otter Tail Power Company's Harvey-to-Rugby 230 kV line (siting permission pending, Case Number PU-401-99-586). The proposed line will strengthen the reliability of the electrical system in the region encompassing North Dakota, Manitoba and Minnesota. The impacts of the proposed facility will be minimal as demonstrated throughout this Corridor Application and the Route Permit Application.

II. ANALYSIS ACCORDING TO PSC GUIDELINES

This Application follows the format set forth in the North Dakota Public Service Commission Application Guidelines For A Certificate of Corridor Compatibility ("PSC Guidelines"), promulgated pursuant to the North Dakota Energy Conversion and Transmission Facility Siting Act, N.D.C.C. Chapter 49-22.

SECTION A. DESCRIPTION OF FACILITY

1. Type

Describe the type of transmission facility addressed in this application. The description shall include the purpose of the facility and the technology to be employed.

The proposed Rugby to Canadian border transmission facility is a 230,000 volt (230 kV), three-phase, alternating current, electric transmission line, approximately 53 miles long (referred to as "the proposed facility" from here on). It will tie into the proposed Harvey/Rugby 230 kV transmission facility at a substation proposed near Rugby. By tying into the Harvey/Rugby facility, the proposed facility will improve reliability of service to the Project Partners' and other utilities' customers in the region. The conductors and shield wires will be supported above ground by wood poles with the possibility of using some steel poles, as further described throughout this Application.

2. Product

Describe the type, source, and final destination of the product to be transmitted by the proposed facility.

The proposed facility is intended to carry 230 kV, three-phase, alternating current, electrical energy. It will have a maximum capacity of about 400,000 Kilovolt-amperes (kVA) and an expected operating level of 200,000 kVA.

The southern terminal of the proposed facility will be a substation about 1.5 miles east of Rugby, North Dakota. This substation is not yet constructed, but citing permission has been requested as part of Otter Tail Power Company's Application and Case Number PU-401-99-586.

The northern terminal will be a point at the Canadian border where the facility will tie into a transmission facility being built by Manitoba Hydro and emanating out of Glenboro, Manitoba. The facility will be designed with a "dead end" type structure at this border connecting point to ensure the structural integrity of the facility--the structural integrity of the line will not be in any way dependent on the Canadian facility.

3. Size and Design

a. Provide a description of the size and design of the ELECTRICAL facility including, but not limited to, the following:

- (1) Width of right-of-way;**
- (2) Estimated span lengths;**
- (3) Anticipated type of structure;**
- (4) Approximate length of facility;**
- (5) Voltage; and**
- (6) The requirement for and general location of any new associated facilities.**

The final design for the proposed facility will not be completed until November 2001 (see section II.A.4, Time Schedule, below).

(1) Width of right-of-way

It is anticipated that right-of-way 120 feet wide (60 feet on either side of the center line) will be acquired throughout the length of the proposed facility. Additional temporary work space, staging and lay down areas may be necessary during construction.

(2) Estimated span lengths

The pole spacing on the basic tangent structure will be 20 feet. The span between structures will range from approximately 500 to 1,000 feet. The conductor ground clearance will vary depending on terrain. A minimum ground clearance of 26.2 feet, at a conductor temperature of 212 degrees Fahrenheit, will be maintained over cultivated or range land. At lower conductor temperatures, the ground clearance will be greater.

(3) Anticipated type of structure

The basic tangent structure will be a wood-pole, H-frame structure as illustrated in Exhibit 3a. The use of steel poles will be considered in some instances for added strength and/or to reduce the need for anchoring angle structures with guy wires. (See Exhibit 3b).

The wood poles will range in length from 65 to 100 feet, and will likely be Douglas fir. They will be pressure-treated with chromated-copper arsenate or pentachlorophenol in accordance with American Wood Preservers Association (AWPA) requirements. A typical 85-foot pole will have a diameter of 55 inches at a point six feet from the butt.

Each structure will be braced by one or two X-braces, and cross-arms will support the insulators and conductors. The X-braces and cross-arms will be made from Douglas fir. The cross-arms that support the insulators and conductors will have a cross section of approximately 5 x 7.5 inches, and a length of 40 feet. In those few cases where it will be necessary to locate tangent structures in soft, unstable ground, side guys and anchors will support them.

Angle structures will consist of three or six poles and the necessary guys and anchors. (See Exhibit 3c). The pole spacing for these angle structures will vary from 20 to 30 feet. Guy wires will be made of high-strength steel strands, and the overall diameter of the guy wires will be 3/8 or 7/16 inches. Guy leads will vary from 50 to 90 feet and will be held by screw anchors that are screwed into the ground by machine.

The line is proposed to terminate at a deadend structure at its northerly terminus. (See Exhibit 3d). This structure will ensure that the proposed facility maintains structural integrity in North Dakota, independent of the proposed facility in Canada.

The conductors that transport the electrical energy will be constructed of aluminum strands with a core of steel strands for greater tensile strength. The trade designation for the conductors is 954 MCM ACSR 54/7. This designation indicates that the conductors are aluminum conductors, steel reinforced with 54 aluminum strands and a core of seven steel strands. The actual size of the conductor will be determined when all of the final detail design studies are completed. The shield wires or lightning protection wires will be constructed of extra-high strength steel strands, and the overall diameter of the shield wires will be 3/8 inch. The insulators will be either porcelain, polymer or both.

(4) Approximate length of the facility

The proposed facility will extend 53 miles from the Rugby substation to the Canadian border north of Roll&

(5) Voltage

The proposed facility is intended to carry 230 kV, three-phase, alternating current, electrical energy at a maximum capacity of about 400,000 Kilovolt-amperes (kVA). It is expected to operate at approximately 200,000 kVA.

(6) The requirement for and general location of any new associated facilities

At its northerly terminus, the proposed facility will tie to a 230 kV transmission facility being constructed by Manitoba Hydro in Manitoba, Canada. At its southerly terminus, the proposed facility will tie to a 230 kV transmission facility being constructed by Otter Tail Power Company (siting pending, Case No. PU-401-99-586). The proposed North Dakota and Manitoba facilities are new.

4. Time Schedule

The proposed time schedule for the proposed facility is shown below:

MAJOR EVENTS SCHEDULE

Certificate of Corridor Compatibility Application Filed	September 2000
Route Permit Application Filed	September 2000
Corridor Certificate and Route Permit (obtained from PSC)	December 2000
Start easement acquisition	March 2001

Complete line design	November 2001
Begin vegetation clearing	November 2001
Begin staking structures	November 2001
Complete surveying	November 2001
Construction start date	November 2001
Complete easement acquisition	February 2002
Complete clearing	April 2002
Construction Complete	July 2002
In service date	July 2002
Retirement of facility	Unknown

SECTION B. SPECIAL STUDIES

Provide a copy of any evaluative studies or assessments of the environmental impact of the proposed facility submitted to any federal, regional, state, or local agency.

The Project Partners conducted several studies before selecting the proposed corridor. The Project Partners performed additional studies and analysis before selecting a proposed route. The general study process included, but was not limited to: (1) selection and general evaluation of the study area, (2) an archeological evaluation, (3) agency consultations, and (4) collection and evaluation of criteria data. The methods used to conduct these studies are described below. The results of the studies are included in appropriate sections of this Application.

1. Selection and General Evaluation of Study Area

The Project Partners selected a study area of approximately 1,350 square miles between Rugby and the Canadian border in North Dakota from which to select a proposed corridor. (See Exhibit 4). This study area was part of a larger area which was considered for a project running from Harvey to the Canadian border. The area was later separated into two study areas for the reasons described in Section II.C., below: the Harvey to Rugby study area and the Rugby to Canadian border study area. The study area selected for this application is a relatively straight line between Rugby and the Canadian border, approximately 30 miles wide and 45 miles long. The study area from Harvey to Rugby was evaluated and a consolidated corridor and route application were filed with the Commission in March 2000.

In their evaluation of the study area, the Project Partners considered among other things: topography, location of existing transmission facilities (lines and substations), location of communities and airfields, location of lakes too large to span, land ownership,

and economics. Further evaluation of the factors addressed in N.D.C.C. § 49-22-09 are set forth in Section D.1., below.

2. Historic and Archeological Site Evaluation

The Project Partners conducted a thorough review of historic and archeological resources. The review included four surveys for potential significant resources. A search of the State Historical Society files for known locations of historic and cultural resources and studies (Class I inventory) was conducted within the original proposed corridor from Harvey to the Canadian border (Olson 1999a). Based on this files search, the State Historical Society recommended an on-the-ground survey (Class III inventory) of select segments along the proposed route (Olson 1999b). The route and corridor were revised in spring 2000 and an addendum to the Class I inventory was conducted to include new corridor sections (Olson 2000a). Based on the addendum and new route, the State Historical Society recommended additional segments for field review, and these field reviews were conducted in July 2000 (Olson 2000b). The Class III inventory reports are provided as Exhibits 5a and 5b.

3. Agency Consultation

North Dakota Administrative Code § 69-06-01-05 lists 21 state agencies that are entitled to notice of the Project Partners' proposed action. These agencies were each notified five times. Letters were sent on October 6, 1999 to notify them of the proposed transmission line project and to provide the location of the proposed corridor, which at that time extended from Harvey to the Canadian border. A second letter was sent on November 24, 1999 to present the proposed route, which also extended from Harvey to Rolla. A third letter was sent on April 4, 2000 to notify them that an application had been filed for the Harvey to Rugby segment. A fourth letter was sent on April 20, 2000 to notify them of a minor change in the proposed corridor from Rugby to the Canadian border. A fifth letter was sent on July 28, 2000 to provide the location of the proposed route from Rugby to the Canadian border. A copy of the letters sent on April 20, 2000 and July 28, 2000, and the responses received, are provided as Exhibit 6.

Specific information about the proposed corridor was requested from several state agencies:

N.D. Game and Fish Department — location of state wildlife lands; habitat for or occurrences of rare or unique wildlife species.

N.D. Rural Water Systems Association — location of rural water systems.

N.D. Water Commission — location of existing or planned irrigation systems or projects, permits for dams, and other water resource information that may be appropriate.

N.D. Parks and Recreation Department — state and local park interests; potential habitat for and occurrences of state rare plant species; nature preserves or registry sites.

N.D. Department of Transportation — state highways that may be affected or other road facilities of interest to them.

The U.S. Fish and Wildlife Service was also contacted to request information on federal wildlife areas and federal threatened and endangered species. The U.S. Department of Agriculture county offices were also contacted for comment.

The comments and information received from the above agencies have been incorporated into this corridor application and are referenced where applicable.

It should also be noted that the Project Partners are required to obtain authority for this facility from other governmental sources. The Project Partners are in the process of obtaining a Presidential Permit for the proposed facility, which is required because the facility connects with a Canadian facility across the U.S./Canadian border. Also, during the upcoming legislative session, the Project Partners will request a joint resolution from the North Dakota Legislature as required by North Dakota Century Code Section 49-22-09.1

4. Collection and Evaluation of Criteria Data

North Dakota Administrative Code § 69-06-08-02 sets forth certain transmission facility corridor and route criteria an applicant must present. They include exclusion, avoidance, selection, and policy criteria. Exclusion and avoidance criteria encompass specific land designations (such as parks and historic sites), human dwellings, water developments, and habitat for state or federal threatened and rare species. Selection criteria relate to the effects from construction on agriculture, noise, and other general environmental conditions. Policy criteria relate to the applicant's policies regarding health, safety, labor relations, and coordination with other interests.

The Project Partners gathered data from several sources to identify the locations of exclusion and avoidance areas and to determine the potential impact of its proposed facility on selection criteria. A computerized geographic information system (GIS) was utilized to compile and analyze most of the data. GIS was also used to produce the criteria maps. Specific sources of data included:

- N.D. Department of Transportation's data on roads, residences, existing transmission facilities, airports, gravel pits, and communities.
- U.S. Fish and Wildlife Service's National Wetland Inventory maps, obtained in GIS format.
- N.D. State Water Commission's database of water, dam and irrigation permits.

- Maps and legal descriptions of federal threatened and endangered species and state rare species were obtained from the U.S. Fish and Wildlife Service and the N.D. Parks and Recreation Department.
- On-the-ground surveys of extractive resources, occupied residences, communication towers, within the corridor were conducted between October 11 and November 19, 1999, on April 28, 2000 and in June 2000.
- Woodlands within the corridor were located by black-and-white aerial photo interpretation.
- Locations of federal and state wildlife areas and local parks were obtained from the appropriate agencies.

SECTION C. NEED FOR THE FACILITY

1. An analysis of the need for the proposed facility based on present and projected demand for the product or products to be produced by the proposed facility, including the most recent system studies supporting the analysis of the need.

Based on present and projected demand for electricity, including the most recent studies performed by the Red River Valley Subregional Planning Group ("RRV SPG") of the Mid-Continent Area Power Pool ("MAPP"), the proposed facility is necessary to solve multiple transmission problems in North Dakota and the surrounding region. The proposed facility may be seen as a component part of a larger 230 kV transmission project extending from Harvey, North Dakota, to Glenboro, Manitoba. Working in concert with the Harvey-Rugby facility (siting permission pending, Case No. PU-401-99-586), the Rugby to border facility will serve existing and projected loads in North Dakota. The proposed facility will thereby provide immediate benefits to the Project Partners' North Dakota customers and strengthen the infrastructure necessary for future development in the region. In addition, by providing additional transfer capabilities in the region, the proposed facility will relieve the long-identified transmission constraints in North Dakota and allow the Project Partners to satisfy existing obligations to provide additional transfer capability to Manitoba Hydro.

To help understand the need for the facility, we offer some background on MAPP's transmission planning and construction processes and how the facility fits into that process.

Transmission facilities planned and constructed by the region's electric utilities are performed under the auspices of MAPP's regional transmission processes. The purpose of MAPP's regional transmission and reliability functions is to realize, safeguard, maintain and further the reliability of the interconnected transmission operations among MAPP members and the region generally, and to provide highly reliable, safe electric

service at reasonable cost. This planning process is an ongoing, dynamic, and collaborative process among all of the MAPP utilities.

It starts with each MAPP member that owns transmission facilities. These members are required by MAPP to prepare and maintain a plan for its individual transmission facilities. The plans are comprehensive in nature and are required to conform to MAPP's reliability and transmission assessment standards. The plans assess, at a minimum, the following: the member's current and expected transmission requirements to serve its all- and partial-requirements retail and wholesale customers, its present and future network and firm transmission service (i.e., wheeling service) obligations, coordination of the plan with neighboring utilities' plans, and any other contractual or regulatory obligation of the member that in any way affect its transmission facilities. In addition to the individual utilities' plans, MAPP has also authorized the formation of sub-regional planning groups, such as the RRV SPG. The purpose of these groups is to develop coordinated sub-regional transmission plans aimed at an expanded, but specific geographic area.

Using as a basis the individual and sub-regional plans, MAPP, through its Regional Transmission Committee, develops a Regional Transmission Plan for all transmission facilities (115 kV and higher) in the MAPP region. The plans are based on a ten-year rolling forecast. The purpose of the Regional Plan is to enable the transmission needs of MAPP members and the region generally to be met on a consistent, reliable, environmentally responsible, economic and non-duplicative basis. The Regional Plan uses a ranking system in which projects are compared against alternative projects on the basis of costs, reliability concerns and benefits, contractual and other obligations of the affected utilities, permitting concerns, and other factors. Once identified by MAPP as a necessary and prudent project, MAPP relies on the most affected utility(ies) to use their best efforts in supporting and implementing the project.¹

The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this system are addressed for the most part by North Dakota utilities that comprise the RRV SPG. Otter Tail, in conjunction with other RRV SPG members, has long identified problems with the 115 kV system between Devils Lake and Minot. Problems arise when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot-Devils Lake 115 kV facility. A loss on the 230 kV facility causes unreliably low voltage on the Minot-Devils Lake facility, in some instances falling below acceptable MAPP criteria. Outages on the 115 kV system between Devils Lake and Minot also are causing low voltage situations.

Although MAPP overwhelmingly relies on the voluntary participation of utility members to implement needed projects, MAPP possesses the authority to designate a utility to construct and own facilities identified in a Regional Plan or to enter into contracts to fulfill such obligations.

The recently proposed Harvey-Rugby 230 kV facility was the first step in solving these reliability problems. The proposed Rugby-border facility will work to further strengthen the transmission grid in the region and otherwise resolve the problem of sagging voltages in north central North Dakota

In addition to sagging voltages, the RRV SPG and the Regional Plan have studied and identified other necessary areas in need of fix, including increasing the transfer capability (both north and south) between the United States and Manitoba, and increasing the capability to transfer North Dakota generation out of state. While certain improvements made by the Western Area Power Administration in 1999 have helped alleviate some of the transmission needs in this area, the additions provide only a short-term fix.

Over the course of the planning process, the RRV SPG and the Regional Plan considered several alternatives to address these concerns, including a Harvey - Devils Lake — St Leon 230 kV facility and a Garrison — Mallard — Dunning 230 kV facility. The RRV SPG and MAPP eventually agreed that the project that met the needs of the area in the most efficient and prudent manner was the construction of a 230 kV transmission facility from Harvey to Glenboro, Manitoba. MAPP found that a Harvey to Glenboro project would provide the following benefits:

- provide an incremental 200 MW of northward transfer capability between the U.S. and Manitoba
- provide an incremental 200 MW of southward transfer capability between Manitoba and the U.S.
- provide significant load serving reinforcements in central North Dakota
- provides for transmission deferral in Manitoba
- provides geographic diversity in line routing ties between the United States and Manitoba
- enhances North Dakota generation outlet capabilities
- can be achieved at lowest normalized net cost

In light of Otter Tail's and MAPP's regional planning process showing that a Harvey to Glenboro project was electrically necessary and was the most prudent and feasible project, considering all available alternatives, Otter Tail originally considered filing application for approval of a Harvey to the Canadian border 230 kV project. However, a great deal of coordination has been required to cross the border, and therefore it was determined that the most prudent course of action was to segment the project into two component parts: Harvey-Rugby and Rugby-border. This segmentation of the project has allowed Otter Tail Power Company to commence regulatory approval of the Harvey-Rugby segment so that facility could be put into service as soon as possible. It was also determined that there was independent need for both the Harvey-Rugby facility and the Rugby-border facility, and therefore each proposed facility could stand on its own. And

while the Harvey-Rugby facility will be an important first-step in solving these multiple transmission problems, the Rugby-border facility is needed to fully secure the transmission system in this region.

In addition to solving these transmission problems, the proposed Rugby-border facility is needed to help relieve the transmission constraints in North Dakota. It has been long identified that North Dakota generation can produce more than the present local load and transmission capability. The proposed Rugby-border facility will provide another outlet path for North Dakota generation and will otherwise lessen these transmission constraints.

2. A description of any feasible alternative methods of serving the need.

As described above, all feasible and prudent alternatives were examined throughout the ongoing MAPP regional planning process.

3. A statement justifying any deviations from the most recent Ten-Year Plan which the proposed facility may present.

The proposed facility is entirely consistent with both the Project Partners' and MAPP's Ten-Year Transmission Plans. As described above, the proposed facility will provide greater load serving capabilities for Otter Tail and other utilities in and around north central North Dakota. It will also help relieve the transmission constraints between North Dakota and other regions.

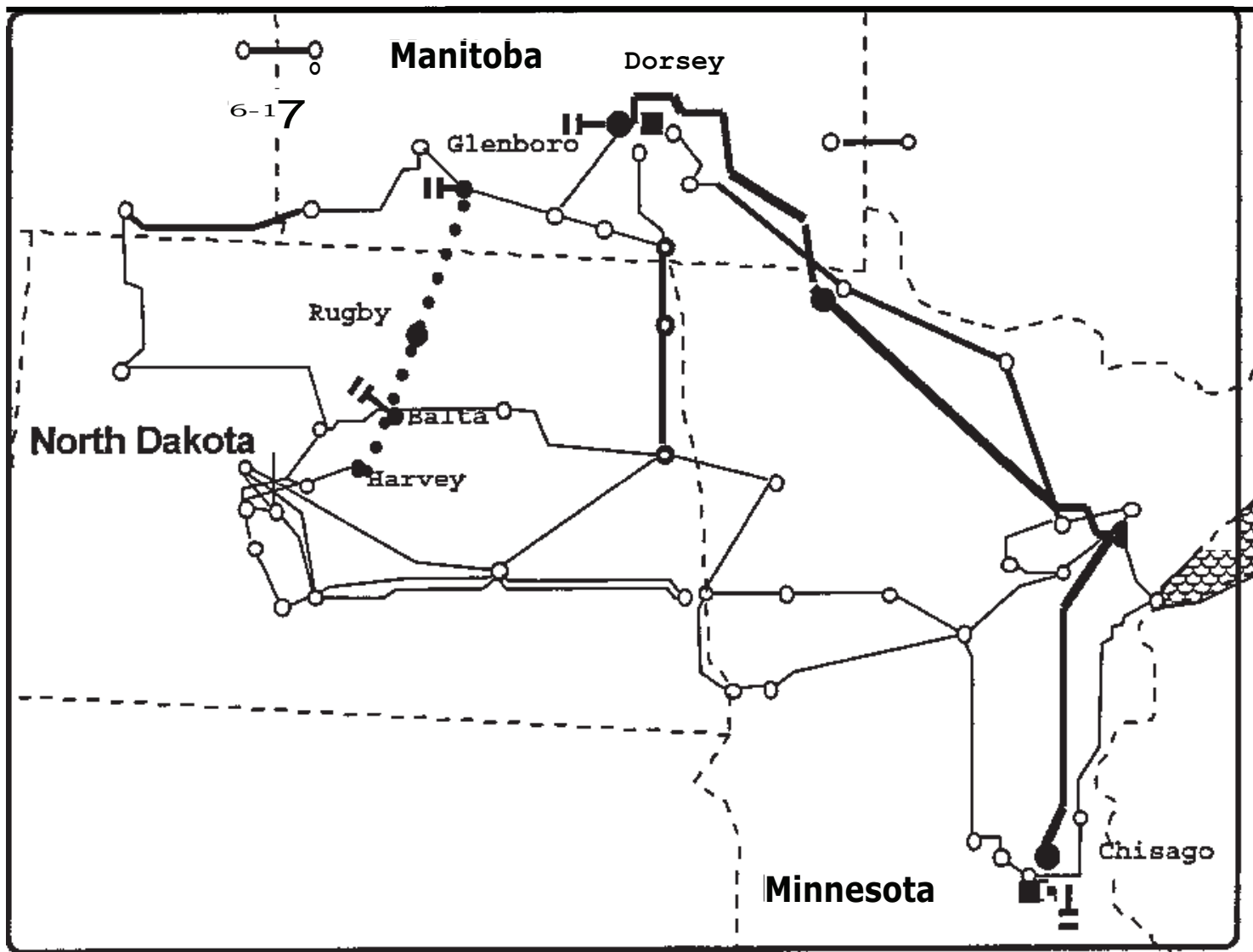
Otter Tail's most recent Ten-Year Plan specifically expressed its intent to request siting approval from the Commission for this facility.

The following sources, not meant to be exhaustive, identify and help support the need for the project: North Dakota — Manitoba Intertie Study — November 1993; OTP Transmission Planning Study North Dakota to Canadian Intertie Study -- 1993; CPEC — OTP Long Range Transmission Study — June 1995; 1998 MAPP 10 YR Plan; 1999 MAPP Revised 10 YR Plan; 1999 MAPP RRV SPG Report on H/G Project; 2000 OTP Report on North Central North Dakota.

ATTACHMENT 2

**Attachment 1, Exhibit 2, to the Certificate
of
Public Convenience and Necessity**

Central North Dakota—Manitoba 230 kV Interconnection Project



Report to the MAPP Design Review Subcommittee September 2000 Volume 1

1.0 Introduction

1.1 General Information

Transmission interconnections between Manitoba Hydro (MH) and the United States (US) are shown in Figure 1. These interconnections consist of one 500 kV line and two 230 kV lines. The Dorsey—Forbes—Chisago 500 kV transmission line was placed in service in 1979. It is owned by MH in Canada and Northern States Power (NSP) which is acquired recently by XCEL Energy, Inc. in U.S. The Dorsey—Forbes (D602F) section of the 500 kV line is 334 miles long and is composed of 53 miles of triple—bundled 1272 kcm ACSR and 281 miles of triple—bundled 1192 kcm ACSR. The Forbes—Chisago section (601) of the 500 kV line is 139 miles long and is conducted with triple—bundled 1192 kcm ACSR.

The Richer—Moranville 230 kV line (R50M) and Letellier—Drayton 230 kV line (L20D) are the other two MH-U.S. interconnections. They are owned by NSP, Otter Tail Power Company (OTP), Minnkota Power Company (MPC), and Minnesota Power (MP) and are constructed using 954 MCM ACSR conductor.

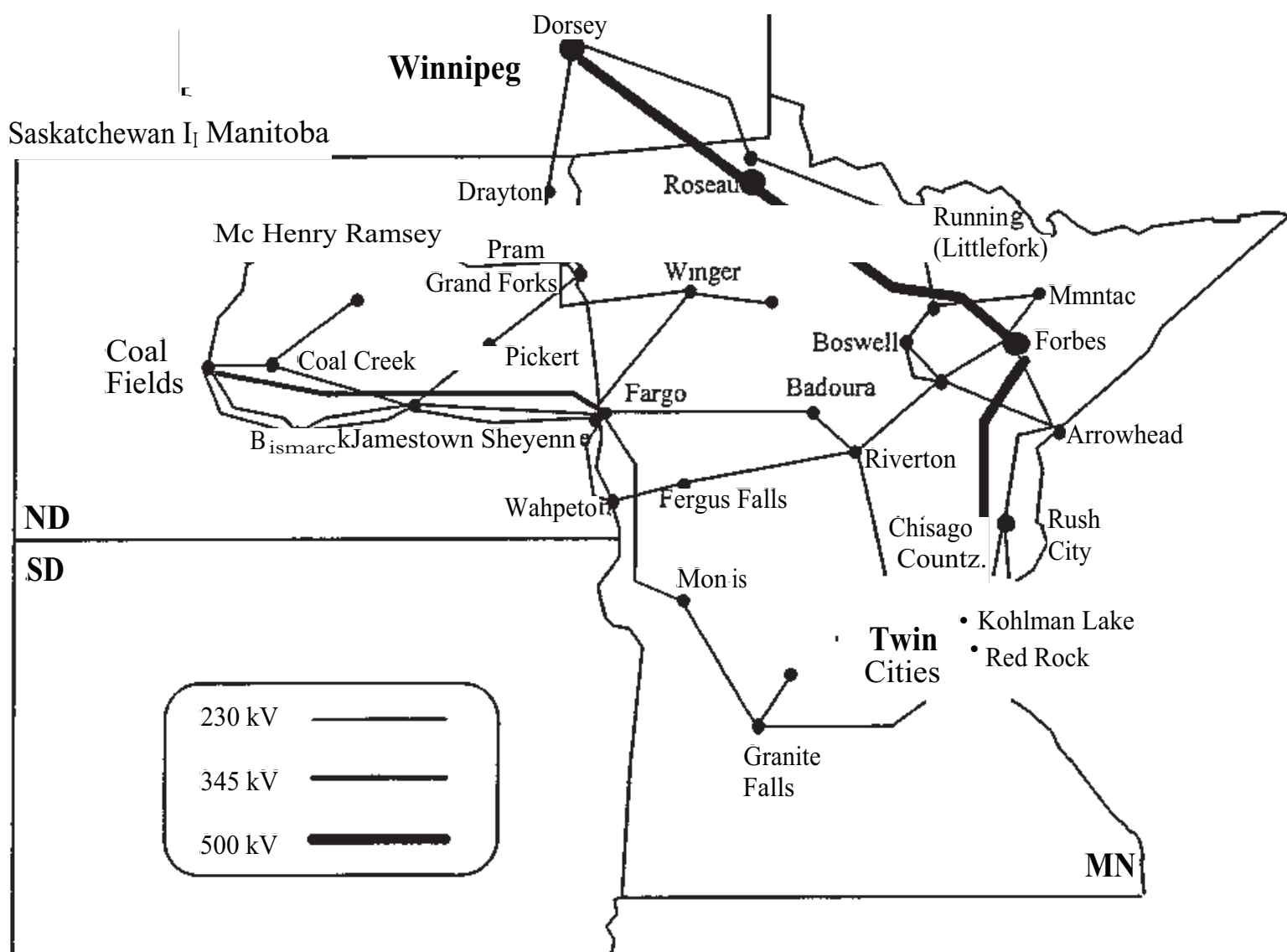


Figure 1
North Dakota and Northern Minnesota Transmission System 230 kV and Above

The 500 and 230 kV lines supported a MH-US export limit (MHEX_S) of 1900 MW and a MH-US import limit (MHEX_N) of 500 MW, as demonstrated in the *MMTU Phase 3 Report to the MAPP Design Review Committee*, May, 1992 [1]. Currently, operating studies for the summer 2000 period submitted to and approved by the Mid-continent Area Power Pool (MAPP) Operating Review Subcommittee (ORS) have established the MHEX_S to be 1975 MW and the MHEX_N to be 435 MW [2]. Both the MHEX_S and MHEX_N levels can be exceeded under certain less stressed operating conditions

The Glenboro-Rugby-Harvey 230 kV project will add a fourth MI-I-US interconnection. The project will increase the MH-US total transfer capability to 2175 MW southward and 700 MW northward. The projected in-service date is October 2002.

1.2 Project Background

Diversity Agreements between MH, NSP and United Power Association (UPA), now part of Great River Energy (GRE), require a long term MHEX_N of 500 MW. This MHEX_N capability must be available over a range of North Dakota export (NDEX) from 0 MW to 1950 MW, simultaneous with a Saskatchewan Power (SP)-US (Boundary Dam to Tioga 230 kV line BIOT) northward transfer of 165 MW, and an Ontario-Minnesota (Fort Frances to International Falls 115 kV line F3M) northward transfer of 100 MW. A minimum MHEX_N of 500 MW must be available over the 20-year duration (beginning in 1995) of the agreements. A MI-I planning study [3] showed that the transfer capability could be significantly less than 500 MW due to a variety of network limitations that include overload of the Boundary Dam phase-shifting transformer (PST) as well as thermal overload and low voltage in portions of the northern Minnesota and the northern North Dakota transmission systems. Additional transfer capability is also required for MI-I to access operating reserves associated with the MAPP Generation Reserve Sharing Pool.

Studies of an interconnection between Manitoba (MB) and North Dakota (ND) to enhance northward transfer capability have been ongoing since the early 1990s [4]. More recently, under the auspices of the MAPP regional planning process, MH, NSP and OTP have evaluated several alternatives for increasing the MH-US power interchange transfer capability [5], [6], and [7]. This evaluation has resulted in the recommendation of a new 230 kV tie line to be constructed between Glenboro in MB to Rugby in ND and further to Harvey in ND. The geographic location of the proposed line is shown on the following page in Figure 2.

The project will support multiple needs including increasing the US export capability to MB, enhancing load serving capability in north central ND, increasing the MB export capability into the US, enhancing transmission reliability in southwestern MB, and enhancing ND transmission for delivery of generation output across ND.

As described above, the project supports multiple needs. It would have been possible for the project partners to submit individual projects (Rugby - Harvey) to the DRS, but for efficiency, one study (Glenboro - Rugby - Harvey) was completed. In the unlikely event that a Glenboro - Rugby stage is delayed or not pursued because of permitting or other reasons, Otter Tail intends to proceed with Rugby - Harvey facilities, as the solution for enhancing the transmission system

in north central North Dakota. The parties recognize, however, should something other than a Glenboro - Rugby - Harvey project be pursued, new technical studies would be submitted for DRS review and approval.

1.3 Description of Project

The Glenboro-Rugby-Harvey project is being constructed in two phases in the US. Phase 1 deals with the Harvey to Rugby portion of the project and Phase 2 deals with the Rugby to Canada-US border portion of the project. The licensing is split into two phases since the line from Rugby to the border requires ND legislative approval and a Presidential Permit in addition to the ND Public Service Commission approval. In MB, the portion of the line from Glenboro to the Canada-US border is being licensed as one project. In addition to approval from the MB regulatory authorities, approval is also required from the National Energy Board (NEB) in Canada.

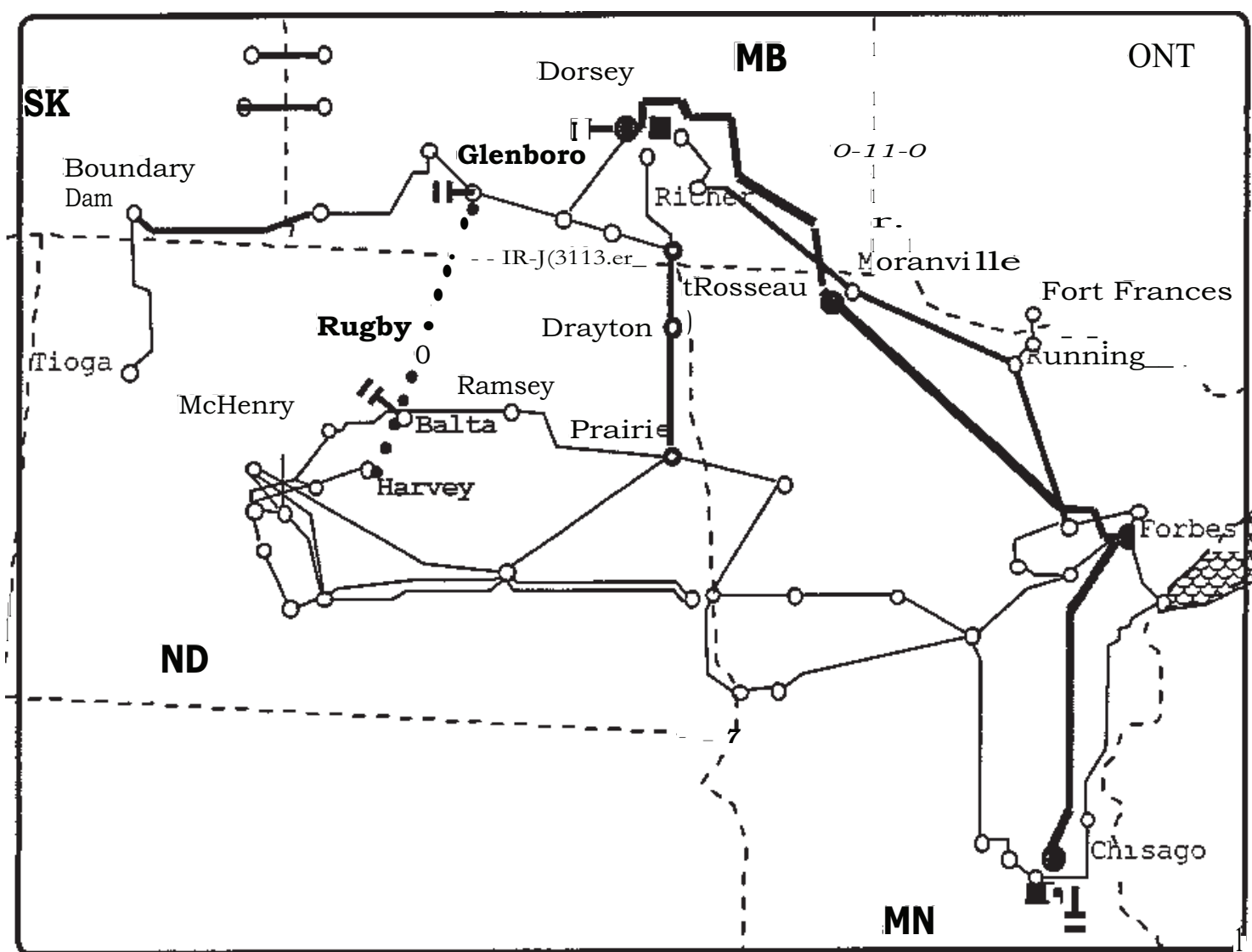


Figure 2
Geographic Location of the Glenboro-Rugby-Harvey 230 kV Line

All the facilities for the Glenboro-Rugby-Harvey 230 kV project are listed in Table 1. A single line diagram for the Glenboro-Rugby-Harvey 230 kV line and associated facilities is shown in Figures 3.

In ND, new 230 kV transmission lines will be constructed from Harvey to Balta (22 miles), from Balta to Rugby (19 miles), and from Rugby to the Canada-US border (53 miles).

A new 230 kV station, with a five circuit breaker ring, will be established at Balta to terminate the Harvey-Balta and Balta-Rugby lines. The existing McHenry to Ramsey 230 kV line will be sectionalized at Balta. Additionally, three 60 Mvar 230 kV "fast switched" shunt capacitor banks will be installed at Balta

A new 230/115 kV station, with a three circuit breaker 230 kV ring, will be established at Rugby to terminate the Balta-Rugby and Rugby-Glenboro lines. This station that will be called Rugby East (Figure 3) will be located 2 miles east of the existing Rugby 115 kV station near the right-of-way of the existing Rugby-Rolette 115 kV line. A new 230/ 115/ 13.8 kV, 75/100/120 MVA transformer will be installed at Rugby East. Also, a three circuit breaker 115 kV ring, will be provided to terminate the transformer at Rugby East, and to sectionalize the existing Rugby-Rolette 115 kV line. A 25 Mvar switched shunt reactor will be installed on the tertiary of the new Rugby transformer.

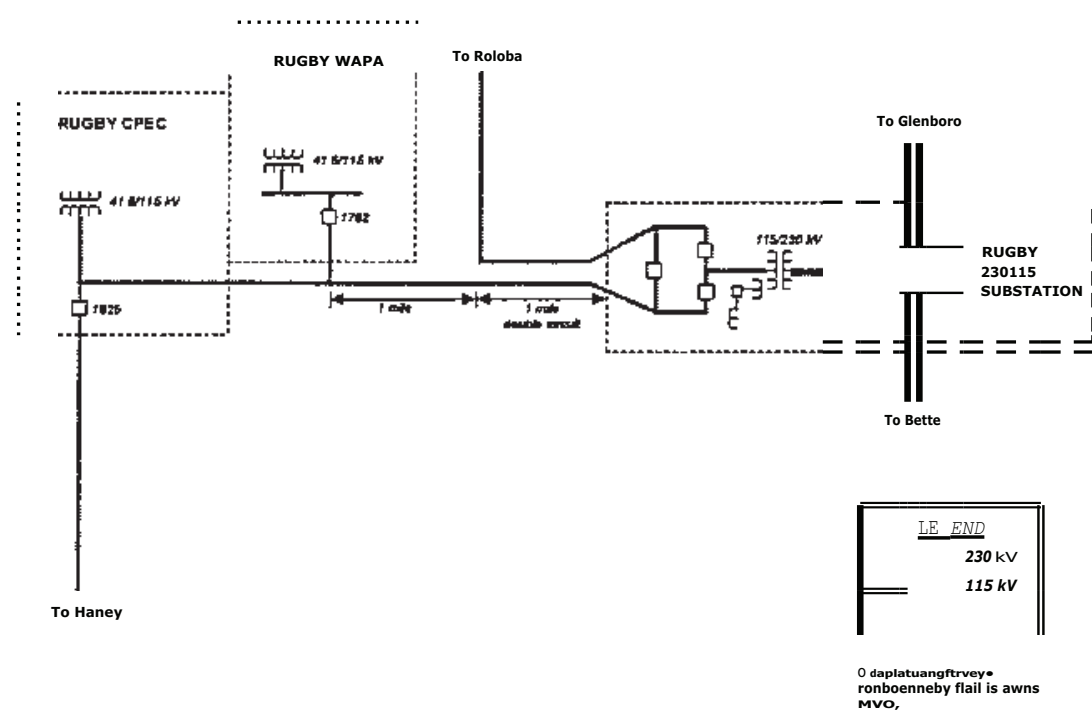


Figure 3
Rugby East Station Location

The Balta-Harvey line will be terminated into the bus at Harvey by adding one new 230 kV breaker.

In MB, 59 miles of new 230 kV transmission line will be constructed from Glenboro to the Canada-US border.

The Glenboro-Rugby line will be terminated into the Glenboro 230 kV ring by adding one 230 kV circuit breaker. A 25 Mvar switched shunt line reactor will be added on the line end at

Glenboro. Also, two 20 Mvar, 66 kV switched shunt capacitors will be added to the Glenboro 66 kV ring.

Table 1
Glenboro-Rugby-Harvey 230 kV Project Facilities

<p>U.S. Transmission Harvey - Balta 230 kV transmission line (22 miles) Balta - Rugby 230 kV transmission line (19 miles) Rugby — Canada/U.S. border 230 kV transmission line (53 miles) Sectionalize the McHenry-Ramsey 230 kV line at Balta</p> <p>Manitoba Transmission Glenboro — Canada/U.S. border 230 kV transmission (59 miles)</p>
<p>U.S. Station Facilities Establish the Rugby 230 kV Transformer Station — 3 breaker ring Install a Rugby 230/115/13.8 kV 75/100/140 MVA transformer Install a 25 Mvar switched reactor on the Rugby transformer tertiary Establish the Balta 230 kV Switching Station —5 breaker ring Install 3x60 Mvar 230 kV shunt capacitors at Balta Install a second 345/115 kV 448 MVA transformer at Chisago County Install 5x60 Mvar 115 kV switched shunt capacitors at Chisago County</p> <p>Manitoba Station Facilities Add one 230 kV breaker at Glenboro to terminate the Rugby line Install at Glenboro a 25 Mvar 230 kV switched line shunt reactor Install at Glenboro 2x20 Mvar 66 kV switched shunt capacitors Install 3x36.7 MVAR 46 kV switched shunt capacitors on the Dorsey 500/230/46 kV Bank52 tertiary</p>

To provide additional reactive power for the increased Winnipeg-Twin Cities (W-TCs) 500 kV line loading, three 36.7 MVAR 46 kV shunt capacitor banks will be added on the tertiary of the existing Dorsey 500/230 kV transformer (Bank52). In addition, a 345/115 kV, 448 MVA transformer and five 60 Mvar, 115 kV switched shunt capacitor banks (one spare) will be installed at Chisago. The Chisago transformation is an advancement of transformation needed for the Chisago-Apple River 115 kV transmission line project. A single line diagram showing the facilities proposed for the W-TCs 500 kV line is included as Figure 5.

The Glenboro-Rugby-Harvey facilities will increase the MH-US southward transfer capability to 2175 MW, simultaneous with a high NDEX and Twin Cities export (TCEX). These facilities will also increase MH-US northward transfer capability upto 700 MW over a range of NDEX from 0 to 1950 MW.

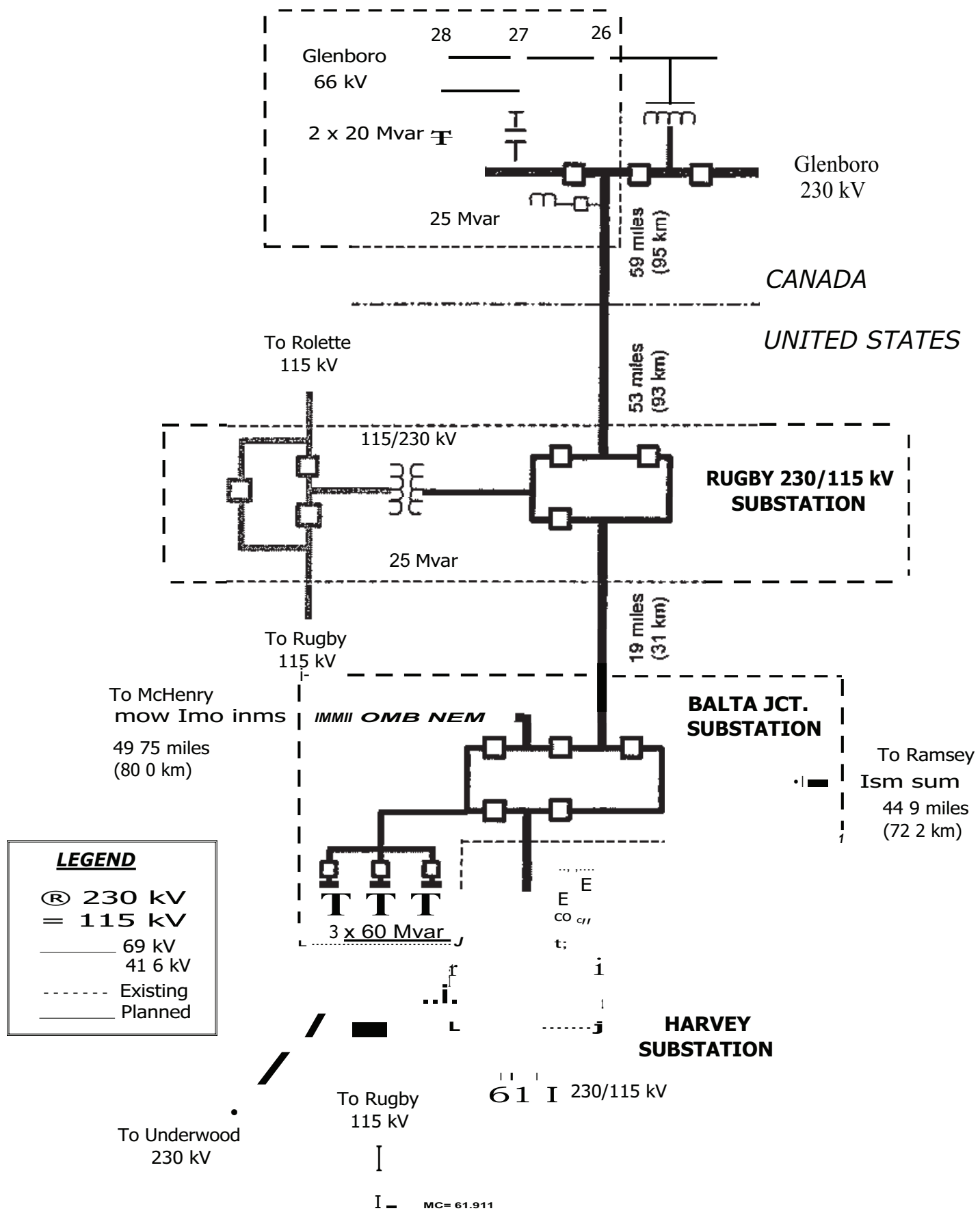


Figure 4
Single Line Diagram of the Glenboro-Rugby-Harvey 230 kV Line

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

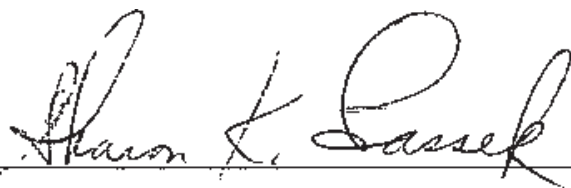
**Application of Northern States Power Company
d/b/a Xcel Energy for a Certificate of Public
Convenience and Necessity for Certain 230 kV
Transmission Facilities in the State of North Dakota**

Case No. PU-400-03-668

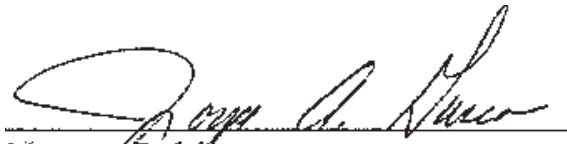
AFFIDAVIT OF SERVICE

I, Sharon K. Lassek, hereby certify that I have this day served the attached Affidavit of Donald P. Jones on the parties listed below by Federal Express or by placing in the U.S. mail at Minneapolis, Minnesota.

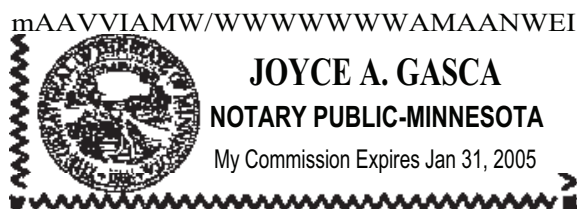
Dated this 19th day of January, 2004.



Subscribed and sworn to before
me this 19th day of January, 2004.



Notary Public



Jon Mielke (Original and 7)
Executive Secretary
North Dakota Public Service Commission
State Capitol — 12th Floor
600 East Boulevard
Bismarck, ND 58501

David H. Sederquist
Xcel Energy
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Fargo, ND 58102

Bruce Gerhardson
Otter Tail Power Company
215 S. Cascade Street
P.O. Box 496
Fergus Fall, MN

Daniel S. Kuntz
Zuger, Kermis & Smith
P.O. Box 1695
Bismarck, ND 58502-1695

JAN 5 20n4

Affidavit Publication

deey) a-k being duly sworn, state as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.
2. The newspapers listed on the exhibits published the advertisement of:
Ard/ttr,(1- \ SlaiC S time(s)
as required by law or ordinance.
3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

Signed: Colleen Park

State of _____

County of ---??2(Arkili)

Subscribed and sworn to before me this 31⁶⁴ day of December 2003.

Kelli Richey

KELLI RICHEY
Notary Public
State of North Dakota
My Commission Expires Oct. 13, 2006

North Dakota Newspaper Association

1435 Interstate Loop
 Bismarck, ND 58503-0567
 Ph (701) 223-6397 • Fax (701) 223-8185

0.1*17

INVOICE

JAN - 5 2004

Order **18520-03125PP0**

Invoice # **29904**

January 2, 2004

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 F=,1-1, 37: °NICE

Attn: JONH. MIELKE
PUBLIC SERVICE COMMISSION
600 E. BOULEVARD AVE.
STATE CAPITOL
BISMARCK, ND 58505

Voice 701-328-4076

Advertiser **LEdlg**

P O #

Amount Due

\$424.80

Amount Paid

Please detach and return this portion with your payment

Public Service Commission Invoice # 18520-03125PP0-29904

<i>Ad Size</i>	<i>Rate Type</i>	<i>Rate</i>	<i>Total</i>	<i>Discount (%)</i>	<i>Caption</i>	<i>Page Run Date</i>
Fargo, The Forum (Fargo ND)						
68 00	SPR2	0 71	48 28	0 00	North States - Otter T	12/29/03
Grand Forks Herald (Grand Forks ND)						
69 00	SPR2	0 69	47 61	0 00	North States - Otter T	12/23/03
Harvey The Herald-Press (Harvey ND)						
70 00	SPR2	0 63	44 10	0 00	North States - Otter T	12/27/03
Jamestown Sun (Jamestown ND)						
81 00	SPR2	0 54	43 74	0 00	North States - Otter T	12/23/03
Minot Daily News (Minot ND)						
82 00	SPR2	0 54	44 28	0 00	North States - Otter T	12/23/03
Rolla Turtle Mountain Star (Rolla ND)						
62 00	SPR2	0 77	47 74	0 00	North States - Otter T	12/29/03
Rugby Pierce County Tribune (Rugby ND)						
78 00	SPR2	0 63	49 14	0 00	North States - Otter T	12/27/03
Valley City Times-Record (Valley City ND)						
76 00	SPR2	0 61	46 36	0 00	North States - Otter T	12/23/03
Wahpeton Daily News (Wahpeton ND)						
105 00	SPR2	0 51	53 55	0 00	North States - Otter T	12/23/03

Gross Advertising	424 80	Total Misc	0 00	Amount Paid	0 00
Agency Discount		Tax	0 00	Adjustments	0 00
Other Discount	0 00	Total Billed	424 80	Payment Date	
Service Charge	0 00	Unbilled	0 00	Balance Due	424 80

7 **PU-400-03-668**

Pages 1

Affidavit of Publication

by North Dakota Advertising Service, Inc

01/05/2004

CC Comm Legal Illona Pat

7 **PU-2805-03-677**

Pages 1

Affidavit of Publication

by North Dakota Advertising Service, Inc

01/05/2004

CC Comm Legal Illona Jerry

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, **five** envelopes with certified postage, return receipt requested, fully prepaid, securely, sealed and each containing a photocopy of:

Notice of Opportunity for Hearing and Notice of Informal Hearing

The envelopes were addressed as follows:

James **P** Johnson
Northern States Power Company
800 Nicollet Mall Ste 2900
Minneapolis MN 55402
Cert. No. 7003 1680 0004 9646 3580

Bruce Gerhardson
Otter Tail Corporation
215 S Cascade St
Fergus Falls MN 56538-0496
Cert. No. 7003 1680 0004 9646 3597

Sharon Helbling further deposes and says that on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same

Dan Kuntz
P **0** Box 1695
Bismarck ND 58502-1695

Dave Sederquist
Xcel Energy
P 0 Box 2747
Fargo ND 58102-2747

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Sharon Hildner

Subscribed and sworn to before me
this **19th day of December, 2003**.

Sandra L Scott

Notary Public

SEAL

SANDRA L. SCOTT
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 11, 2004

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, each containing a photocopy of.

Notice of Opportunity for Hearing and Notice of Informal Hearing

The envelopes were addressed as follows:

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address

Subscribed and sworn to before me
this **19th day of December, 2003**



'4,6 h,t(.4a⁷r

Notary Public

SEAL

SANDRA L. SCOTT
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 11, 2004

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Ron Harper
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KDLR AM-FM
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Devils Lake ND 58301-0190

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KKXL-AM/FM
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KFGO
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KHRT AM
PO Box 1210
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KMAV AM/FM RADIO
PO Box 216
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KNDK-AM
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3630 Phillips Pkwy
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PO Box 13638
Grand Forks ND 58208-3638

KOVC-AM
PO Box 994
Valley City ND 58072-0994

KQDJ-AM
PO Box 1170
Jamestown ND 58402-1170

KQWB-AM/FM Radio
PO Box 9919
Fargo ND 58106-9919

KSJB AM and KSJZ FM Radio
PO Box 5180
Jamestown ND 58402-5180

KTHI-TV
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Helbling, Sharon D.

From: Helbling, Sharon D
Sent: Thursday, December 18, 2003 3:35 PM
To: ndna (E-mail)
Subject: Attached Notice of Opportunity for Hearing

**Colleen Park
North Dakota Newspaper Association**

Colleen:

Please have the attached Notice of Opportunity for Hearing published as a Legal Publication in the official county newspapers of Wells, Pierce and Rollette counties, and in the Minot Daily News, Jamestown Sun, Grand Forks Herald, Fargo Forum, Valley City Times-Record, and the Wahpeton Daily News.

Please run it as a News Item Only article as well, and send the bill to the Public Service Commission, along with a tear sheet for billing purposes.

If you have any questions, please call me at 328-4076.

Thank you.

**Sharon Helbling
Public Utilities Division**

PU-400A2-668

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Notice e-mailed to rsIDNA requesting
publication
by Public Utilities Commission

12/18/2003

12/18/2003

CIT, Comm Legal Ilona Pat

APPROVED

MOTION

December 18, 2003

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

I move the Commission issue a Notice of Opportunity for Hearing and Notice of Informal Hearing in the applications of Northern States Power Company and Otter Tail Corporation requesting certificates of public convenience and necessity for 230 kV electric transmission facilities between Harvey, North Dakota and the Canadian Border, Case Nos. PU-400-03-668 and PU-2805-03-677.

JR Usd h

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

**NOTICE OF OPPORTUNITY FOR HEARING and
NOTICE OF INFORMAL HEARING**

December 18, 2003

On November 26, 2003, in Case No. PU-400-03-668, Northern States Power Company d/b/a Xcel Energy (NSP) filed a post-construction application for a certificate of public convenience and necessity (PC&N) under N D C.C. chapter 49-03 to construct and operate (a) approximately 56 miles of 230 kV electric transmission facilities constructed between Rugby, North Dakota and the Canadian border; and (b) the 230 kV Balta Junction Switching Station located in Pierce County, North Dakota. These facilities were placed into service in late 2002

On December 3, 2003, in Case No. PU-2805-03-677, Otter Tail Corporation d/b/a Otter Tail Power Company filed a post-construction application for a PC&N to construct and operate approximately 40 miles of 230 kV electric transmission line constructed between Harvey and Rugby, North Dakota and placed into service in late 2002.

The issues to be considered in these matters are:

1. Whether Public Convenience and Necessity will be served by construction and operation of the transmission facilities.
2. Whether the applicants are fit, willing and able to provide service

Those interested are invited to comment on these applications in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding(s) and the reasons for requesting a hearing. Comments and requests for hearings must be received by **January 20, 2004**. If deemed appropriate, the Commission can determine these matters without a hearing.

Informal hearings on these matters will be held on **January 28, 2004 at 1:30 p.m.** in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. At the informal hearings the applicants will be given an opportunity to present overviews of their applications and interested persons will be given an opportunity to be heard.

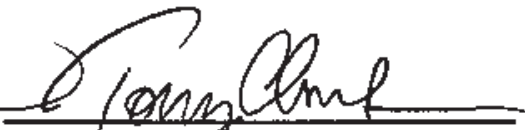
For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888

TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Jon Mielke, Executive Secretary.

PUBLIC SERVICE COMMISSION



**Susan E. Wild
Commissioner**



**Tony Clark
President**



**Kevin Cramer
Commissioner**



Public Service Commission
State of North Dakota

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December 18, 2003

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Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
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Fergus Falls, MN 56538-0496

Re: Case No. PU-400-03-668

Re: Case No. PU-2805-03-677

Dear Mr. Johnson and Mr. Gerhardson:

Enclosed is a Notice of Opportunity for Hearing and Notice of Informal Hearing issued by the Commission today. Please note that the issues to be considered, as set forth in the notices, are different from those addressed in the applications. Absent a formal hearing with sworn testimony and exhibits to serve as evidence, it will be necessary to file affidavits addressing the noticed issues. The Commission would appreciate receiving these affidavits as soon as convenient, but not later than January 20th.

Thank you for your attention to these matters. Please contact our staff if you have any questions.

Sincerely,


Susan E. Wefald
Commissioner

Ovv 
Tony Clark
President


Kevin Cramer
Commissioner

Encl.

Xcel Energy

James P Johnson
Assistant General Counsel

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November 26, 2003

Mr. Jon Mielke
North Dakota Public Service Commission
State Capitol -- 12th Floor
600 East Boulevard
Bismarck, ND 58505

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Re Northern States Power Company d/b/a Xcel Energy
Case No. PU-2280-00-200
Application for Certificate of Public Convenience and Necessity

Dear Mr. Mielke:

By letter dated August 29, 2003, the North Dakota Public Service Commission ("Commission") asked Northern States Power Company d/b/a Xcel Energy ("the Company") to submit an post-construction application for a Certificate of Public Convenience and Necessity ("CPCN") for the Rugby to Border 230 kV electric transmission line, previously approved pursuant to N D C C Chapter 49-22 in Case No PU-2280-00-200. The Company hereby submits an oniginal and seven copies of the requested CPCN Application.

The Company appreciates the Commission's prompt action on this matter Please direct any questions regarding this Application to the undersigned at (612) 215-4592 or Mr. Dave Sederquist at (701) 241-8632.

Sincerely,



James P Johnson
Assistant General Counsel
Xcel Energy Services Inc

Enclosures

The 230 kV transmission line was constructed in 2002 and is presently being operated pursuant to Certificate of Site Compatibility for a Transmission Facility Corridor Number 79 and Route Permit for Construction of a Transmission Facility Number 89, originally issued to NSP and Otter Tail Power jointly as Project Partners by Commission order dated December 29, 2000 in Case No PU-2280-00-200, and transferred to the Company by order dated May 8, 2002 in Case No PU-400-02-77

The Application also requests a CPCN for the Company's 230 kV Balta Junction Switching Station, which is geographically separate from the Rugby to Border 230 kV transmission line but an integral component of the 230 kV facilities constructed by the Company and Otter Tail Power Company as part of the Harvey to Border 230 kV project, as described in Case Nos PU-2280-00-200 and PU-401-99-586 and the Application.

1 **PU-400-03-668** Pages 75

Application for PC&N for Rugby to Border
Transmission Line
by Northern States Power Company

11/26/2003

CC Comm Legal Mona Pat

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Application of Northern States Power Company
d/b/a Xcel Energy for a Certificate of Public
Convenience and Necessity for Certain 230 kV
Transmission Facilities in the State of North Dakota**

Case No. PU-_____

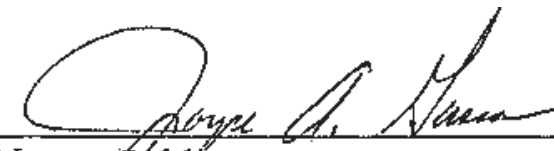
AFFIDAVIT OF SERVICE

I, Sharon K. Lassek, hereby certify that I have this day served the attached Application for Certificate of Public Convenience and Necessity on the parties listed below by placing in the U.S. mail at Minneapolis, Minnesota.


Dated this 25th day of November, 2003



Subscribed and sworn to before
me this 25th day of November, 2003.



Notary Public


I, **JOYCE A GASCA**
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan 31, 2005
tertAmmithAAAAANAA.AAAAN~WWW/ it

Jon Mielke (Original and 7)
Executive Secretary
North Dakota Public Service Commission
State Capitol — 12th Floor
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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

In the Matter of the Application of
Northern States Power Company
d/b/a Xcel Energy, a Minnesota
Corporation, for a Certificate of
Public Convenience and Necessity
For Certain 230 kV Electric
Transmission Facilities in the
State of North Dakota

Case No. PU-_____

**APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

November 26, 2003

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

In the Matter of the Application of
Northern States Power Company
d/b/a Xcel Energy, a Minnesota
Corporation, for a Certificate of
Public Convenience and Necessity
For Certain 230 kV Electric
Transmission Facilities in the
State of North Dakota

Case No. PU-_____

**APPLICATION FOR
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

Pursuant to N.D.C.C. Chapter 49-03, Northern States Power Company d/b/a Xcel Energy ("NSP" or "the Company" or "Applicant"), a Minnesota corporation, respectfully submits this application ("Application") for a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate (a) approximately 56 miles of 230 kilovolt ("kV") electric transmission facilities constructed between Rugby, North Dakota and the United States/Canadian border), which were placed into service in late 2002 after Commission approval under N.D.C.C. Chapter 49-22 by order dated December 29, 2000 in Case No. PU-2280-00-200; and (b) the 230 kV Balta Junction Switching Station ("Balta Substation") located in Pierce County, North Dakota at the interconnection of the Great River Energy ("GRE") McHenry-Ramsey 230 kV transmission line and the Otter Tail Power Company Harvey-Rugby 230 kV transmission line and placed in service in October, 2002. The Company's new 230 kV transmission line facilities and the Balta Substation will together be referred to as the "230 kV Facilities" in this Application.

The 230 kV Facilities were not required to extend service to new retail customers of the Company in North Dakota. The 230 kV Facilities were instead constructed, *inter alia*, for the purpose of providing sufficient over-all Company-owned transmission capacity in North Dakota to generally serve the Company's retail electric loads in North Dakota, thereby providing transmission investment needed to support regional electric capacity and reliability needs in an efficient manner. The purpose and location of the 230 kV Facilities was described in detail in the administrative record before the Commission in Case No. PU-2280-00-200 and is also described in the instant Application.'

In Case No. PU-2290-00-200, no party suggested a CPCN was required for the 230 kV Facilities. By letter dated July 17, 2003, the Commission staff asked Otter Tail and the Company for a written explanation regarding why the companies did not each apply for CPCN prior to construction of the 230 kV facilities and a related 230 kV transmission project constructed and owned by Otter Tail from Harvey to Rugby, North Dakota. The Company and Otter Tail submitted separate memoranda to the Commission on July 31, 2003, arguing no CPCN was required for either 230 kV project. On August 26, 2003, counsel for the Commission submitted a legal memorandum arguing that CPCNs were required. On August 29, 2003, the Commission issued the Letter indicating the companies should submit CPCN applications within 90 days.

As discussed in the Company's July 31, 2003 memorandum, the applicable statutory provisions and court and Commission precedent do not specifically address the legal question of whether a public utility is required to obtain both a CPCN under N.D.C.0 Chapter 49-03 and a Corridor Certificate and/or Route Permit under N D C C Chapter 49-22 for construction of transmission facilities which do not result in an extension of the utility's retail electric services. In the *Capital Electric* case, the North Dakota Supreme Court expressed the following limits on the Commission's jurisdiction under the CPCN statute

[I]n 1993, the PSC changed its construction of the [Territorial Integrity] Act so that a customer request for service by a public utility was not longer deemed necessary to invoke the Commission's jurisdiction to determine public convenience and necessity. We decline to defer to the PSC's recent reinterpretation of its authority, because that construction contravenes the statutory framework and purpose of the Act. We hold that a new customer's request for service by an electric public utility is necessary to invoke the PSC's jurisdiction to consider the public utility's application for a certificate of public convenience and necessity to extend service to an area outside the corporate limits of a municipality.

Capital Electric Cooperative, Inc v Public Service Commission, 534 N.W.2d 587, 592 (N.D. 1995) ("*Capital Electric*"), citing *W W Walwork, Inc v Duchscherer*, 501 N.W.2d 751 (N.D. 1993)

In the event the Commission unduly conditions the CPCN, imposes penalties on the Company, or any party contests issuance of the requested CPCN and appeals a Commission order granting the Company a CPCN for the 230 kV Facilities, the Company respectfully but expressly

This Application is being submitted in response to the Commission letter ("the Letter") dated August 29, 2003, requesting the Company to submit a CPCN application for the 230 kV Facilities.² In this Application, the Company thus requests issuance of a CPCN on a post-construction basis for 230 kV Facilities, which are already in service. In support thereof, the Company states as follows:

A. COMMUNICATIONS AND SERVICE

The Company respectfully requests that the following persons be placed on the Commission's official service list for all official communications in this case:

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(continued from previous page) reserves the right to challenge the Commission's authority under N.D C.C. Chapter 49-03 to require a CPCN application for the 230 kV Facilities for the reasons set forth in the July 31, 2003 memoranda and *Capital Electric*

² The Company understands that Otter Tail Power Company ("Otter Tail") is submitting a separate CPCN application regarding the related 230 kV facilities constructed by Otter Tail between Harvey and Rugby, North Dakota, approved in Case No PU-401-99-486

B. HISTORICAL BACKGROUND AND STATUTORY PROVISIONS

1. The Route Permit/Corridor Certificate Proceedings

On September 11, 2000, Otter Tail and the Company³ filed a joint application ("Initial Application") in Case No. PU-2280-00-200 for authorization under N.D.C.0 Chap. 49-22 to construct and operate approximately 56 miles of 230 kV three-phase alternating current ("AC") transmission facilities from near Rugby, North Dakota to the United States/Canadian border north of Rolla, North Dakota (the "230 kV Facilities"), where the 230 kV Facilities would interconnect with 230 kV transmission facilities being constructed by the Manitoba Hydro Electric Board ("Manitoba Hydro"). The Initial Application indicated the final ownership of the Rugby-border facility had not been finalized, so the parties were seeking joint approval. The Initial Application further indicated that once final ownership was determined, certificates and permits would be transferred between the Parties according to N.D.C.C. Section 49-22-13. See footnote 1.

The Initial Application indicated the 230 kV Facilities were necessary to "solve multiple transmission problems in North Dakota and the surrounding region." Initial Application at p. 11. Specifically, the Application stated:

The recently proposed Harvey-Rugby 230 kV facility was the first step in solving these reliability problems. The proposed Rugby-border facility will work to strengthen the transmission grid in the region and otherwise resolve the problem of sagging voltages in north central North Dakota.

³ In Case No. PU-400-99-418, the Commission approved the merger of Northern States Power Company ("Old NSP") and New Century Energies, Inc. to form Xcel Energy Inc. See "Findings of Fact, Conclusions of Law and Order", Docket PU-400-99-318, order dated May 12, 2000 As part of the merger transactions, the electric and natural gas utility operations, assets and obligations of Old NSP in North Dakota were assigned to Northern States Power Company d/b/a Xcel Energy, a newly formed utility operating company subsidiary of Xcel Energy Inc , effective on the merger date (August 18, 2000) The Initial Application was thus submitted by the successor company

Initial Application at p. 13. **Attachment 1** to this pleading provides a portion of the Initial Application describing the multiple purposes for constructing the 230 kV Facilities.⁴ This section indicates that while the 230 kV Facilities would help maintain or improve the reliability of service to electric customers in North Dakota, the 230 kV Facilities were not being constructed to expand the Company's retail electric service area.

The Initial Application included a map showing the proposed location of the proposed 230 kV Facilities, which indicated the Rugby-border project would result in construction of transmission facilities located well outside the existing retail electric service territory of the Company. **Attachment 2, Exhibit 1** is a copy of a map included in the Initial Application showing the corridor location (see the North Dakota state map in lower right hand corner). **Attachment 2, Exhibit 2** is a map from the Initial Application showing the approximate location of the Balta Substation and the interconnecting GRE and Otter Tail 230 kV facilities. **Attachment 2, Exhibit 3** is a map showing the approximate location of the Company's retail electric service areas in North Dakota. A comparison of the various maps indicates the 230 kV Facilities are not located in or near the Company's retail electric service areas. Indeed, the 230 kV Facilities are not directly connected to any other generation, transmission or distribution facilities owned and operated by the Company in North Dakota.

On December 29, 2000, the Commission issued its Order approving construction of the 230 kV Facilities. The Initial Order granted Certificate No. 79 and Route Permit No. 89

⁴ The Initial Order noted the southern terminal of the proposed Rugby to Border facility would be a substation southeast of Rugby, North Dakota, which would be constructed as part of Otter Tail's Harvey to Rugby 230 kV transmission facility authorized in Case No PU-401-99-486. See Finding No 5. The Balta Substation was not discussed in the Initial Application because it was constructed in connection with the Otter Tail 230 kV transmission facilities from Harvey to Rugby in Case No PU-401-99-586 and construction of a substation interconnecting existing and/or new transmission facilities does not require a separate route permit or corridor certificate under N D C C Chap. 49-22.

jointly to Otter Tail and the Company, pursuant to N.D.C.C. Chap. 49-22. Specifically,

Ordering paragraphs 2 and 3 of the Order state as follows:

2. Certificate of Site Compatibility for a Transmission Facility Corridor No. 79 is issued to Otter Tail Power Company and Northern States Power Company under N.D.C.C. Section 49-22-08(5), designating a six-mile wide corridor as shown on the attached map.

3. Route Permit for the Construction of a Transmission Facility No. 89 is issued to Otter Tail Power Company and Northern States Power Company granting authority to construct the transmission line route in the location shown on the attached map.

After issuance of the Initial Order, Otter Tail, the Company and the Manitoba Hydro engaged in final planning and contracting for the 230 kV Facilities project. During that process, the Company and Otter Tail agreed that the Company would be the sole owner of the 56 miles of 230 kV transmission facilities from Rugby to the U.S. border, once constructed. This arrangement would, *inter alia*, increase NSP's relative investment in high voltage transmission facilities in North Dakota relative to its loads in the state.⁵

On February 12, 2002, Otter Tail and the Company thus submitted a further application (the "Transfer Application") to transfer Certificate No. 79 and Route Permit No. 89 from Otter Tail and the Company jointly as Project Partners to solely the Company. On May 8, 2002 in Case No. PU-400-02-77, the Commission issued the Transfer Order approving the Transfer Application, subject to certain compliance requirements. The

⁵ In Case No. PU-400-99-418 (the Xcel Energy Inc. merger proceeding), Otter Tail and Minnkota Power Cooperative filed motions to intervene discussing concerns regarding the Company's relative transmission investments in the North Dakota region. Among other things, the ownership arrangement discussed in the Transfer Application responded to this concern.

Transfer Order indicated Certificate No. 79 and Route Permit No. 89 would be reissued to the Company upon notification of the effectiveness of the transfer. Order at p. 2.⁶

2. The Statutory Provisions

The statutory provisions governing the requirement for a public utility to file for and obtain a CPCN are as follows:

49-03-01. **Certificate of public convenience and necessity — Secured by electric public utility.** No electric public utility henceforth shall begin construction or operation of a public utility plant or system, or of an extension of a plant or system,...without first obtaining from the commission a certificate that public convenience and necessity require or will require such construction and operation....

49-03-01 1. **Limitation on electric transmission and distribution lines, extensions and service by electric public utilities.** No electric public utility henceforth shall . . extend its electric transmission or distribution lines beyond or outside of the corporate limits of any municipality, nor shall it serve any customer where the place to be served is not located within the corporate limits of a municipality, unless and until, after application, such electric public utility has obtained an order from the commission authorizing such extension and service and a certificate that public convenience and necessity require that permission be given to extend such lines and to serve such customer.

Here, the 230 kV Facilities were not constructed to provide, and did not result in, any extension or expansion of the retail electric service area of the Company in North Dakota. Rather, the 230 kV Facilities were constructed, *inter alia*, for the express purposes of (a) maintaining or improving electric service reliability for the existing retail and wholesale electric customers of both the Company and other investor-owned and public power utilities in North Dakota by upgrading the transmission infrastructure in the state, and (b) "equalizing" the Company's transmission investments in North Dakota relative to its loads.

⁶ The Company submitted the compliance filing required by the Transfer Order on June 5, 2003

C. APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

In response to the Letter, the Company respectfully submits this Application for a Certificate of Convenience and Necessity for the 230 kV Facilities and respectfully requests that the Commission promptly issue a CPCN on a post-construction basis after a notice of opportunity for hearing is issued in this proceeding, if no party requests a hearing. In support thereof, the Company states as follows:

1. That Applicant's full name and post office address are:

Northern States Power Company d/b/a Xcel Energy
Attn: David H. Sederquist
2302 Great Northern Drive
Fargo, ND 58102

2. Applicant is a Minnesota corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and is doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the Commission under N.D.C.C. Title 49, as amended.

3. Applicant's Certificate of Incorporation and amendments thereto have been previously filed with the Commission.⁷ Such Certificate and Amendments are hereby incorporated by reference, as though fully set forth herein.

4. This Application is being made pursuant to the provisions of Chapter 49-03- of the North Dakota Century Code, and the rules promulgated by the Commission thereunder.

The Company's Certificate of Authority was filed on May 31, 2001 as part of Company's compliance filing to transfer its then-existing Route Permits and Corridor Certificates from "Old NSP" to the Company, as required by the Commission order approving the Xcel Energy Inc merger application in Case No PU-400-99-418. The Certificate of Authority filed May 31, 2001 is incorporated by reference.

Pursuant to N.D.C.C. 49-03-01, the 230 kV Facilities which are the subject of this Application consist of (a) 56.3 miles of 230 kV transmission lines and other facilities necessary to interconnect the 230 kV system of Manitoba Hydro with the new 230 kV facilities constructed and owned by Otter Tail near Rugby, North Dakota, as approved in the Initial Order and the Transfer Order, and (b) the Balta Substation. The 230 kV Facilities were placed in service in fourth quarter 2002 at an installed cost of \$19 million.⁸ The 230 kV Facilities will adequately render electric transmission service and allow the Company and other utilities in North Dakota to continue to provide reliable retail electric service as defined in N.D.C.C. Chap. 49 and associated Commission Rules and Company tariffs.

5. A jurisdictional financial statement of the Applicant for the fiscal year ended December 31, 2002, was filed with the Commission on May 1, 2003 and is incorporated by reference.

6. Applicant seeks post-construction authorization to construct and operate the 230 kV Facilities for the purpose of reliably providing retail electric utility service to its customers located in North Dakota. As noted above, **Attachment 1, Exhibit 1** is a copy of applicable portions of the Initial Application in Case No. PU-2280-00-200, which describe the purpose of the 230 kV transmission line in detail; **Attachment 1, Exhibit 2** is a copy of portions of the report to the MAPP Design Review Subcommittee, which discusses the Balta Substation. **Attachment 2, Exhibits 1, 2 and 3** are maps showing Applicant's electric service territories and the location of the 230 kV Facilities. The 230 kV Facilities are not located within the Company's designated retail electric service area, and are not

⁸ The difference between the approximately \$13.7 million cost of the 230 kV transmission line shown on Attachment 4 and the \$19 million total cited herein is the cost of the Balta Substation (approximately \$6 million)

interconnected with other generation, transmission or distribution facilities owned by the Company in North Dakota. The 230 kV Facilities were constructed in order to maintain reliable retail electric service to electric customers of various utilities in eastern North Dakota and northwestern Minnesota pursuant to transmission cost sharing rate schedules on file with the Federal Energy Regulatory Commission. The Company did not extend retail service to any new electric customers connected to the 230 kV Facilities.

7. Pursuant to N D.C.C. 49-22, Applicant made application to and received a Certificate No. 79 and Route Permit No. 89, authorizing the construction and operation of the 230 kV Facilities in accordance with Applicant's rules and tariffs on file with the Commission. Applicant also requested and obtained various other local permits to construct the 230 kV Facilities, as described in the Initial Application. **Attachment 3, Exhibits 1 to 3** are copies of the Initial Order, the Transfer Order and the Department of Energy Presidential Permit related to construction of the 230 kV Facilities.

8. Pursuant to N.D.C.C. 49-03-02, Applicant is an experienced electric generation, transmission and distribution utility with the expertise and resources to construct the 230 kV Facilities, and operate and maintain the 230 kV Facilities once in service. The Company presently serves more than 85,000 retail electric customers in and around Fargo, Grand Forks and Minot, North Dakota. The Company owns approximately 256 miles of transmission facilities 69 kV and above in North Dakota and 12 substations, with a net book value of \$41.2 million (YE 2002). Over its three state service area (North Dakota, South Dakota and Minnesota), Applicant serves more than 1.3 million retail electric customers, and owns and operates a transmission system comprised of approximately 4,100 miles of

transmission lines (34.5 kV and above) and 466 substations with a net book value of \$804 million (YE 2002).

Attachment 4 provides a detailed summary of the Company's transmission lines in North Dakota, including the Rugby to Border 230 kV Facilities. The 230 kV Facilities were financed through general corporate funds (e.g., internally generated funds, long term and short term debt, and common equity).

9. Pursuant to N.D.C.C. 49-03-03.1, subsection 3, the 230 kV Facilities do not result in any change to the Applicant's retail electric service area. The Company's retail electric customers will continue to be served by Applicant under applicable tariffs, rules, and regulations, on file with the Commission. Construction of the 230 kV Facilities also had no impact on the Company's current retail electric rates.

10. The 230 kV Facilities were constructed and will be operated at 230 kV. This is a standard Company transmission system voltage, and the design, operation and maintenance will be consistent with the National Electric Safety Code (*see* N.D.C.C. 43-09-21) and applicable FERC, North American Electric Reliability Council ("NERC") and Mid-Continent Area Power Pool ("MAPP") requirements. The 230 kV Facilities were constructed by Otter Tail personnel under a construction services agreement with the Company, are operating within the Otter Tail NERC electrical control area, and will be maintained by Otter Tail personnel through an operation and maintenance services agreement with the Company.

⁹ Otter Tail is also an experienced electric generation, transmission and distribution utility

⁹ The Transfer Application indicated that the Company and Otter Tail entered into a Construction Agreement, whereby Otter Tail agreed to act as the Company's general contractor to construct the 230 kV Facilities. Otter Tail is also an experienced electric utility with extensive transmission assets and operations in North Dakota. The Transfer Application stated this would allow efficient construction because Otter Tail has crews and other personnel available in the area to perform the construction. The Construction Agreement required Otter Tail and its subcontractors (if

with the expertise and resources to construct the 230 kV Facilities, operate and maintain the 230 kV Facilities on behalf of the Company.

11. The Commission has indicated it considers ten (10) factors in determining whether to grant a CPCN for a new electric facility. ¹⁰ Applicant provides the following response to each of these factors:

- *From whom does the customer prefer electric service?*

Not applicable. No customer requested the construction of the 230 kV Facilities, and the 230 kV Facilities do not provide direct retail service.

- *What electric suppliers are operating in the general area?*

Not applicable. The 230 kV Facilities do not provide direct retail service in competition with any other retail electric suppliers in the area. The Company's closest retail service areas are the areas served from the Company's Minot service center, the closest of which is located approximately 40 miles west of any of the 230 kV Facilities.

- *What electric supply lines exist within a two-mile radius of the location to be served and when were they constructed?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

- *What customers are served by electric suppliers within at least a two-mile radius of the location to be served?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

any) to comply with all the requirements of the Commission orders in performing its construction services

¹⁰ See testimony of Jerry Lien of the Commission staff, presented to the Interim Electric Industry Competition Committee, April 24, 2000.

- *What are the differences, if any, between the electric suppliers available to serve the area with respect to reliability of service?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

- *Which of the available electric suppliers will be able to serve the location in question more economically and still earn an adequate return on its investment?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

- *Which supplier's extended electric service would best serve orderly and economic development of electric service in the general area?*

Not applicable. The 230 kV Facilities did not extend the Company's retail electric service. However, construction of the 230 kV Facilities provides for an orderly and economic development of regional transmission facilities needed to preserve electric service reliability in North Dakota and neighboring states. As described in the Transfer Application, the Company and Otter Tail agreed to the Company's ownership of the 230 kV Facilities in order to, *inter alia*, increase the Company's relative investment in North Dakota transmission facilities relative to the Company's loads in North Dakota.

- *Would approval of the application result in wasteful duplication of investment or services?*

No. The 230 kV Facilities were planned and constructed in coordination with Otter Tail and Manitoba Hydro to provide for efficient investment in the regional transmission grid in order to avoid duplication of facilities.

- *Is it probable that the location in question will be included within the corporate limits of a municipality within the foreseeable future?*

No. The 230 kV Facilities are not located near the corporate limits of any municipality served by the Company. The 230 kV Facilities are connected only to the Manitoba Hydro 230 kV facilities at the U.S./Canadian border, the Otter Tail 230 kV facilities at Rugby, and the GRE 230 kV facilities at Balta.

- *Will the service by either of the electric suppliers in the area unreasonably interfere with the service or system of the other?*

Not Applicable. The 230 kV Facilities did not extend and do not provide retail electric service. The 230 kV Facilities were planned and constructed in coordination with Otter Tail's new 230 kV facilities from Harvey to Rugby. In addition, the 230 kV Facilities were planned and approved through the MAPP regional planning processes and approved by the MAPP Design Review Subcommittee in order to avoid interfering with the service or system of any other MAPP member utility.

As indicated here, most of the ten criteria typically used by the Commission to review a CPCN application are inapplicable, and the 230 kV Facilities satisfy the few remaining criteria.

12. Applicant believes it is in the public interest that Applicant be granted a Certificate of Public Convenience and Necessity for the authority it requests herein. Pursuant to N.D.C.C. 49-03-02, the Company requests the Commission grant the requested Application not more than 20 days after a notice of opportunity for hearing is issued in this proceeding, if no party requests a hearing. **Attachment 5** provides a form of Notice of Opportunity for Hearing for the convenience of the Commission and Staff

Attachment 1
Exhibit 1

Svingen, Athens, Russell, Hagstrom, Haugrud & Karkela, PLLP

R Kristian Svingen
Robert L Russell -
Dennis W Hagstrom
Allen Haugrud
Terry A Karkela
Bruce G Gerhardson
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Offices in

Fergus Falls
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Weekly Office Hours

Dalton
Underwood

September 8, 2000

Mr John H Mielke
Executive Secretary
North Dakota Public Service Commission
State Capitol — 600 E Boulevard
Bismarck, ND 58505-0480

**Re: In the Matter of Otter Tail Power Company and Northern States
Power Company's Application for a Waiver of Procedures and Time
Schedules and Consolidated Applications for a Certificate of
Corridor Compatibility and Route Permit for a 230 kV Transmission
Facility from Rugby to the Canadian Border.
Case No. PU-2280-00-200**

Pursuant to §§ 49-22-08 of the North Dakota Century Code, the Energy Conversion and Transmission Facility Siting Act, and rules promulgated thereunder, enclosed for filing please find

1. An original and ten (10) copies of an Application for a Waiver of Procedures and Time Schedules and Consolidated Applications for a Certificate of Corridor Compatibility and Route Permit for a 230 kV Transmission Facility from Rugby to the Canadian Border, with exhibits

2 A \$65,000 filing fee

Should you have any questions with respect to this filing, please contact Bruce Gerhardson at (218) 736-5456.

Very truly yours,

Bruce Gerhardson
Attorney for Applicants

Also admitted to practice in ND + Civil Trial Specialist Certified by the Minnesota State Bar Association Qualified ADR Neutral Civil Mediation/Arbitration
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I. INTRODUCTION

This is an Application for a Certificate of Corridor Compatibility by Otter Tail Power Company and Northern States Power Company ("Project Partners"). Although separate and apart from, it is to be reviewed in conjunction with the Project Partners Route Permit Application. The Project Partners seek siting approval for a 230,000 Volt (230 kV) transmission line corridor from Rugby to the Canadian border north of Rolla, North Dakota. (See Exhibit 1)

The proposed facility is a 230 kV transmission line that will extend 53 miles from Rugby to the Canadian border. (see Exhibits 1 and 2). At its proposed southern terminus, the proposed facility will tie to Otter Tail Power Company's Harvey-to-Rugby 230 kV line (siting permission pending, Case Number PU-401-99-586). The proposed line will strengthen the reliability of the electrical system in the region encompassing North Dakota, Manitoba and Minnesota. The impacts of the proposed facility will be minimal as demonstrated throughout this Corridor Application and the Route Permit Application.

II. ANALYSIS ACCORDING TO PSC GUIDELINES

This Application follows the format set forth in the North Dakota Public Service Commission Application Guidelines For A Certificate of Corridor Compatibility ("PSC Guidelines"), promulgated pursuant to the North Dakota Energy Conversion and Transmission Facility Siting Act, N.D.C.C. Chapter 49-22.

SECTION A. DESCRIPTION OF FACILITY

1. Type

Describe the type of transmission facility addressed in this application. The description shall include the purpose of the facility and the technology to be employed.

The proposed Rugby to Canadian border transmission facility is a 230,000 volt (230 kV), three-phase, alternating current, electric transmission line, approximately 53 miles long (referred to as "the proposed facility" from here on). It will tie into the proposed Harvey/Rugby 230 kV transmission facility at a substation proposed near Rugby. By tying into the Harvey/Rugby facility, the proposed facility will improve reliability of service to the Project Partners' and other utilities' customers in the region. The conductors and shield wires will be supported above ground by wood poles with the possibility of using some steel poles, as further described throughout this Application.

2. Product

Describe the type, source, and final destination of the product to be transmitted by the proposed facility.

The proposed facility is intended to carry 230 kV, three-phase, alternating current, electrical energy. It will have a maximum capacity of about 400,000 Kilovolt-amperes (kVA) and an expected operating level of 200,000 kVA.

The southern terminal of the proposed facility will be a substation about 1.5 miles east of Rugby, North Dakota. This substation is not yet constructed, but citing permission has been requested as part of Otter Tail Power Company's Application and Case Number PU-401-99-586.

The northern terminal will be a point at the Canadian border where the facility will tie into a transmission facility being built by Manitoba Hydro and emanating out of Glenboro, Manitoba. The facility will be designed with a "dead end" type structure at this border connecting point to ensure the structural integrity of the facility--the structural integrity of the line will not be in any way dependent on the Canadian facility

3. Size and Design

a. Provide a description of the size and design of the ELECTRICAL facility including, but not limited to, the following:

- (1) Width of right-of-way;**
- (2) Estimated span lengths;**
- (3) Anticipated type of structure;**
- (4) Approximate length of facility;**
- (5) Voltage; and**
- (6) The requirement for and general location of any new associated facilities.**

The final design for the proposed facility will not be completed until November 2001 (see section II.A.4, Time Schedule, below).

(1) Width of right-of-way

It is anticipated that right-of-way 120 feet wide (60 feet on either side of the center line) will be acquired throughout the length of the proposed facility. Additional temporary work space, staging and lay down areas may be necessary during construction.

(2) Estimated span lengths

The pole spacing on the basic tangent structure will be 20 feet. The span between structures will range from approximately 500 to 1,000 feet. The conductor ground clearance will vary depending on terrain. A minimum ground clearance of 26.2 feet, at a conductor temperature of 212 degrees Fahrenheit, will be maintained over cultivated or range land. At lower conductor temperatures, the ground clearance will be greater.

(3) Anticipated type of structure

The basic tangent structure will be a wood-pole, H-frame structure as illustrated in Exhibit 3a. The use of steel poles will be considered in some instances for added strength and/or to reduce the need for anchoring angle structures with guy wires. (See Exhibit 3b).

The wood poles will range in length from 65 to 100 feet, and will likely be Douglas fir. They will be pressure-treated with chromated-copper arsenate or pentachlorophenol in accordance with American Wood Preservers Association (AWPA) requirements. A typical 85-foot pole will have a diameter of 55 inches at a point six feet from the butt.

Each structure will be braced by one or two X-braces, and cross-arms will support the insulators and conductors. The X-braces and cross-arms will be made from Douglas fir. The cross-arms that support the insulators and conductors will have a cross section of approximately 5 x 7.5 inches, and a length of 40 feet. In those few cases where it will be necessary to locate tangent structures in soft, unstable ground, side guys and anchors will support them.

Angle structures will consist of three or six poles and the necessary guys and anchors. (See Exhibit 3c). The pole spacing for these angle structures will vary from 20 to 30 feet. Guy wires will be made of high-strength steel strands, and the overall diameter of the guy wires will be 3/8 or 7/16 inches. Guy leads will vary from 50 to 90 feet and will be held by screw anchors that are screwed into the ground by machine.

The line is proposed to terminate at a deadend structure at its northerly terminus. (See Exhibit 3d). This structure will ensure that the proposed facility maintains structural integrity in North Dakota, independent of the proposed facility in Canada.

The conductors that transport the electrical energy will be constructed of aluminum strands with a core of steel strands for greater tensile strength. The trade designation for the conductors is 954 MCM ACSR 54/7. This designation indicates that the conductors are aluminum conductors, steel reinforced with 54 aluminum strands and a core of seven steel strands. The actual size of the conductor will be determined when all of the final detail design studies are completed. The shield wires or lightning protection wires will be constructed of extra-high strength steel strands, and the overall diameter of the shield wires will be 3/8 inch. The insulators will be either porcelain, polymer or both.

(4) Approximate length of the facility

The proposed facility will extend 53 miles from the Rugby substation to the Canadian border north of Rolla.

(5) Voltage

The proposed facility is intended to carry 230 kV, three-phase, alternating current, electrical energy at a maximum capacity of about 400,000 Kilovolt-amperes (kVA). It is expected to operate at approximately 200,000 kVA.

(6) The requirement for and general location of any new associated facilities

At its northerly terminus, the proposed facility will tie to a 230 kV transmission facility being constructed by Manitoba Hydro in Manitoba, Canada. At its southerly terminus, the proposed facility will tie to a 230 kV transmission facility being constructed by Otter Tail Power Company (siting pending, Case No. PU-401-99-586). The proposed North Dakota and Manitoba facilities are new.

4. Time Schedule

The proposed time schedule for the proposed facility is shown below:

MAJOR EVENTS SCHEDULE

Certificate of Corridor Compatibility Application Filed	September 2000
Route Permit Application Filed	September 2000
Corridor Certificate and Route Permit (obtained from PSC)	December 2000
Start easement acquisition	March 2001

Complete line design	November 2001
Begin vegetation clearing	November 2001
Begin staking structures	November 2001
Complete surveying	November 2001
Construction start date	November 2001
Complete easement acquisition	February 2002
Complete clearing	April 2002
Construction Complete	July 2002
In service date	July 2002
Retirement of facility	Unknown

SECTION B. SPECIAL STUDIES

Provide a copy of any evaluative studies or assessments of the environmental impact of the proposed facility submitted to any federal, regional, state, or local agency.

The Project Partners conducted several studies before selecting the proposed comdor. The Project Partners performed additional studies and analysis before selecting a proposed route. The general study process included, but was not limited to: (1) selection and general evaluation of the study area, (2) an archeological evaluation, (3) agency consultations, and (4) collection and evaluation of criteria data. The methods used to conduct these studies are described below. The results of the studies are included in appropriate sections of this Application.

1. Selection and General Evaluation of Study Area

The Project Partners selected a study area of approximately 1,350 square miles between Rugby and the Canadian border in North Dakota from which to select a proposed comdor. (See Exhibit 4). This study area was part of a larger area which was considered for a project running from Harvey to the Canadian border. The area was later separated into two study areas for the reasons described in Section II.C., below: the Harvey to Rugby study area and the Rugby to Canadian border study area. The study area selected for this application is a relatively straight line between Rugby and the Canadian border, approximately 30 miles wide and 45 miles long. The study area from Harvey to Rugby was evaluated and a consolidated corridor and route application were filed with the Commission in March 2000.

In their evaluation of the study area, the Project Partners considered among other things: topography, location of existing transmission facilities (lines and substations), location of communities and airfields, location of lakes too large to span, land ownership,

and economics. Further evaluation of the factors addressed in N.D.C.0 § 49-22-09 are set forth in Section D.1., below.

2. Historic and Archeological Site Evaluation

The Project Partners conducted a thorough review of historic and archeological resources. The review included four surveys for potential significant resources. A search of the State Historical Society files for known locations of historic and cultural resources and studies (Class I inventory) was conducted within the original proposed corridor from Harvey to the Canadian border (Olson 1999a). Based on this files search, the State Historical Society recommended an on-the-ground survey (Class HE inventory) of select segments along the proposed route (Olson 1999b). The route and corridor were revised in spring 2000 and an addendum to the Class I inventory was conducted to include new corridor sections (Olson 2000a). Based on the addendum and new route, the State Historical Society recommended additional segments for field review, and these field reviews were conducted in July 2000 (Olson 2000b). The Class HI inventory reports are provided as Exhibits 5a and 5b.

3. Agency Consultation

North Dakota Administrative Code § 69-06-01-05 lists 21 state agencies that are entitled to notice of the Project Partners' proposed action. These agencies were each notified five times. Letters were sent on October 6, 1999 to notify them of the proposed transmission line project and to provide the location of the proposed corridor, which at that time extended from Harvey to the Canadian border. A second letter was sent on November 24, 1999 to present the proposed route, which also extended from Harvey to Rolla. A third letter was sent on April 4, 2000 to notify them that an application had been filed for the Harvey to Rugby segment. A fourth letter was sent on April 20, 2000 to notify them of a minor change in the proposed corridor from Rugby to the Canadian border. A fifth letter was sent on July 28, 2000 to provide the location of the proposed route from Rugby to the Canadian border. A copy of the letters sent on April 20, 2000 and July 28, 2000, and the responses received, are provided as Exhibit 6.

Specific information about the proposed corridor was requested from several state agencies:

N.D. Game and Fish Department — location of state wildlife lands; habitat for or occurrences of rare or unique wildlife species.

N.D. Rural Water Systems Association — location of rural water systems.

N.D. Water Commission — location of existing or planned irrigation systems or projects, permits for dams, and other water resource information that may be appropriate.

N.D. Parks and Recreation Department — state and local park interests; potential habitat for and occurrences of state rare plant species; nature preserves or registry sites.

N.D. Department of Transportation — state highways that may be affected or other road facilities of interest to them.

The U.S. Fish and Wildlife Service was also contacted to request information on federal wildlife areas and federal threatened and endangered species. The U.S. Department of Agriculture county offices were also contacted for comment.

The comments and information received from the above agencies have been incorporated into this corridor application and are referenced where applicable.

It should also be noted that the Project Partners are required to obtain authority for this facility from other governmental sources. The Project Partners are in the process of obtaining a Presidential Permit for the proposed facility, which is required because the facility connects with a Canadian facility across the U.S./Canadian border. Also, during the upcoming legislative session, the Project Partners will request a joint resolution from the North Dakota Legislature as required by North Dakota Century Code Section 49-22-09.1

4. Collection and Evaluation of Criteria Data

North Dakota Administrative Code § 69-06-08-02 sets forth certain transmission facility corridor and route criteria an applicant must present. They include exclusion, avoidance, selection, and policy criteria. Exclusion and avoidance criteria encompass specific land designations (such as parks and historic sites), human dwellings, water developments, and habitat for state or federal threatened and rare species. Selection criteria relate to the effects from construction on agriculture, noise, and other general environmental conditions. Policy criteria relate to the applicant's policies regarding health, safety, labor relations, and coordination with other interests.

The Project Partners gathered data from several sources to identify the locations of exclusion and avoidance areas and to determine the potential impact of its proposed facility on selection criteria. A computerized geographic information system (GIS) was utilized to compile and analyze most of the data. GIS was also used to produce the criteria maps. Specific sources of data included:

- N.D. Department of Transportation's data on roads, residences, existing transmission facilities, airports, gravel pits, and communities.
- U.S. Fish and Wildlife Service's National Wetland Inventory maps, obtained in GIS format.
- N.D. State Water Commission's database of water, dam and irrigation permits.

- Maps and legal descriptions of federal threatened and endangered species and state rare species were obtained from the U.S. Fish and Wildlife Service and the N.D. Parks and Recreation Department
- On-the-ground surveys of extractive resources, occupied residences, communication towers, within the corridor were conducted between October 11 and November 19, 1999, on April 28, 2000 and in June 2000.
- Woodlands within the corridor were located by black-and-white aerial photo interpretation.
- Locations of federal and state wildlife areas and local parks were obtained from the appropriate agencies.

SECTION C. NEED FOR THE FACILITY

1. An analysis of the need for the proposed facility based on present and projected demand for the product or products to be produced by the proposed facility, including the most recent system studies supporting the analysis of the need.

Based on present and projected demand for electricity, including the most recent studies performed by the Red River Valley Subregional Planning Group ("RRV SPG") of the Mid-Continent Area Power Pool ("MAPP"), the proposed facility is necessary to solve multiple transmission problems in North Dakota and the surrounding region. The proposed facility may be seen as a component part of a larger 230 kV transmission project extending from Harvey, North Dakota, to Glenboro, Manitoba. Working in concert with the Harvey-Rugby facility (siting permission pending, Case No. PU-401-99-586), the Rugby to border facility will serve existing and projected loads in North Dakota. The proposed facility will thereby provide immediate benefits to the Project Partners' North Dakota customers and strengthen the infrastructure necessary for future development in the region. In addition, by providing additional transfer capabilities in the region, the proposed facility will relieve the long-identified transmission constraints in North Dakota and allow the Project Partners to satisfy existing obligations to provide additional transfer capability to Manitoba Hydro.

To help understand the need for the facility, we offer some background on MAPP's transmission planning and construction processes and how the facility fits into that process.

Transmission facilities planned and constructed by the region's electric utilities are performed under the auspices of MAPP's regional transmission processes. The purpose of MAPP's regional transmission and reliability functions is to realize, safeguard, maintain and further the reliability of the interconnected transmission operations among MAPP members and the region generally, and to provide highly reliable, safe electric

service at reasonable cost This planning process is an ongoing, dynamic, and collaborative process among all of the MAPP utilities.

It starts with each MAPP member that owns transmission facilities. These members are required by MAPP to prepare and maintain a plan for its individual transmission facilities. The plans are comprehensive in nature and are required to conform to MAPP's reliability and transmission assessment standards. The plans assess, at a minimum, the following: the member's current and expected transmission requirements to serve its all- and partial-requirements retail and wholesale customers, its present and future network and firm transmission service (i.e., wheeling service) obligations, coordination of the plan with neighboring utilities' plans, and any other contractual or regulatory obligation of the member that in any way affect its transmission facilities. In addition to the individual utilities' plans, MAPP has also authorized the formation of sub-regional planning groups, such as the RRV SPG. The purpose of these groups is to develop coordinated sub-regional transmission plans aimed at an expanded, but specific geographic area.

Using as a basis the individual and sub-regional plans, MAPP, through its Regional Transmission Committee, develops a Regional Transmission Plan for all transmission facilities (115 kV and higher) in the MAPP region. The plans are based on a ten-year rolling forecast. The purpose of the Regional Plan is to enable the transmission needs of MAPP members and the region generally to be met on a consistent, reliable, environmentally responsible, economic and non-duplicative basis. The Regional Plan uses a ranking system in which projects are compared against alternative projects on the basis of costs, reliability concerns and benefits, contractual and other obligations of the affected utilities, permitting concerns, and other factors. Once identified by MAPP as a necessary and prudent project, MAPP relies on the most affected utility(ies) to use their best efforts in supporting and implementing the project.'

The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this system are addressed for the most part by North Dakota utilities that comprise the RRV SPG. Otter Tail, in conjunction with other RRV SPG members, has long identified problems with the 115 kV system between Devils Lake and Minot. Problems arise when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot-Devils Lake 115 kV facility. A loss on the 230 kV facility causes unreliably low voltage on the Minot-Devils Lake facility, in some instances falling below acceptable MAPP criteria. Outages on the 115 kV system between Devils Lake and Minot also are causing low voltage situations.

Although MAPP overwhelmingly relies on the voluntary participation of utility members to implement needed projects, MAPP possesses the authority to designate a utility to construct and own facilities identified in a Regional Plan or to enter into contracts to fulfill such obligations.

The recently proposed Harvey-Rugby 230 kV facility was the first step in solving these reliability problems. The proposed Rugby-border facility will work to further strengthen the transmission grid in the region and otherwise resolve the problem of sagging voltages in north central North Dakota

In addition to sagging voltages, the RRV SPG and the Regional Plan have studied and identified other necessary areas in need of fix, including increasing the transfer capability (both north and south) between the United States and Manitoba, and increasing the capability to transfer North Dakota generation out of state. While certain improvements made by the Western Area Power Administration in 1999 have helped alleviate some of the transmission needs in this area, the additions provide only a short-term fix.

Over the course of the planning process, the RRV SPG and the Regional Plan considered several alternatives to address these concerns, including a Harvey - Devils Lake — St Leon 230 kV facility and a Garrison — Mallard — Dunning 230 kV facility. The RRV SPG and MAPP eventually agreed that the project that met the needs of the area in the most efficient and prudent manner was the construction of a 230 kV transmission facility from Harvey to Glenboro, Manitoba. MAPP found that a Harvey to Glenboro project would provide the following benefits:

- provide an incremental 200 MW of northward transfer capability between the U.S. and Manitoba
- provide an incremental 200 MW of southward transfer capability between Manitoba and the U.S.
- provide significant load serving reinforcements in central North Dakota
- provides for transmission deferral in Manitoba
- provides geographic diversity in line routing ties between the United States and Manitoba
- enhances North Dakota generation outlet capabilities
- can be achieved at lowest normalized net cost

In light of Otter Tail's and MAPP's regional planning process showing that a Harvey to Glenboro project was electrically necessary and was the most prudent and feasible project, considering all available alternatives, Otter Tail originally considered filing application for approval of a Harvey to the Canadian border 230 kV project. However, a great deal of coordination has been required to cross the border, and therefore it was determined that the most prudent course of action was to segment the project into two component parts: Harvey-Rugby and Rugby-border. This segmentation of the project has allowed Otter Tail Power Company to commence regulatory approval of the Harvey-Rugby segment so that facility could be put into service as soon as possible. It was also determined that there was independent need for both the Harvey-Rugby facility and the Rugby-border facility, and therefore each proposed facility could stand on its own. And

while the Harvey-Rugby facility will be an important first-step in solving these multiple transmission problems, the Rugby-border facility is needed to fully secure the transmission system in this region.

In addition to solving these transmission problems, the proposed Rugby-border facility is needed to help relieve the transmission constraints in North Dakota. It has been long identified that North Dakota generation can produce more than the present local load and transmission capability. The proposed Rugby-border facility will provide another outlet path for North Dakota generation and will otherwise lessen these transmission constraints.

2. A description of any feasible alternative methods of serving the need.

As described above, all feasible and prudent alternatives were examined throughout the ongoing MAPP regional planning process.

3. A statement justifying any deviations from the most recent Ten-Year Plan which the proposed facility may present.

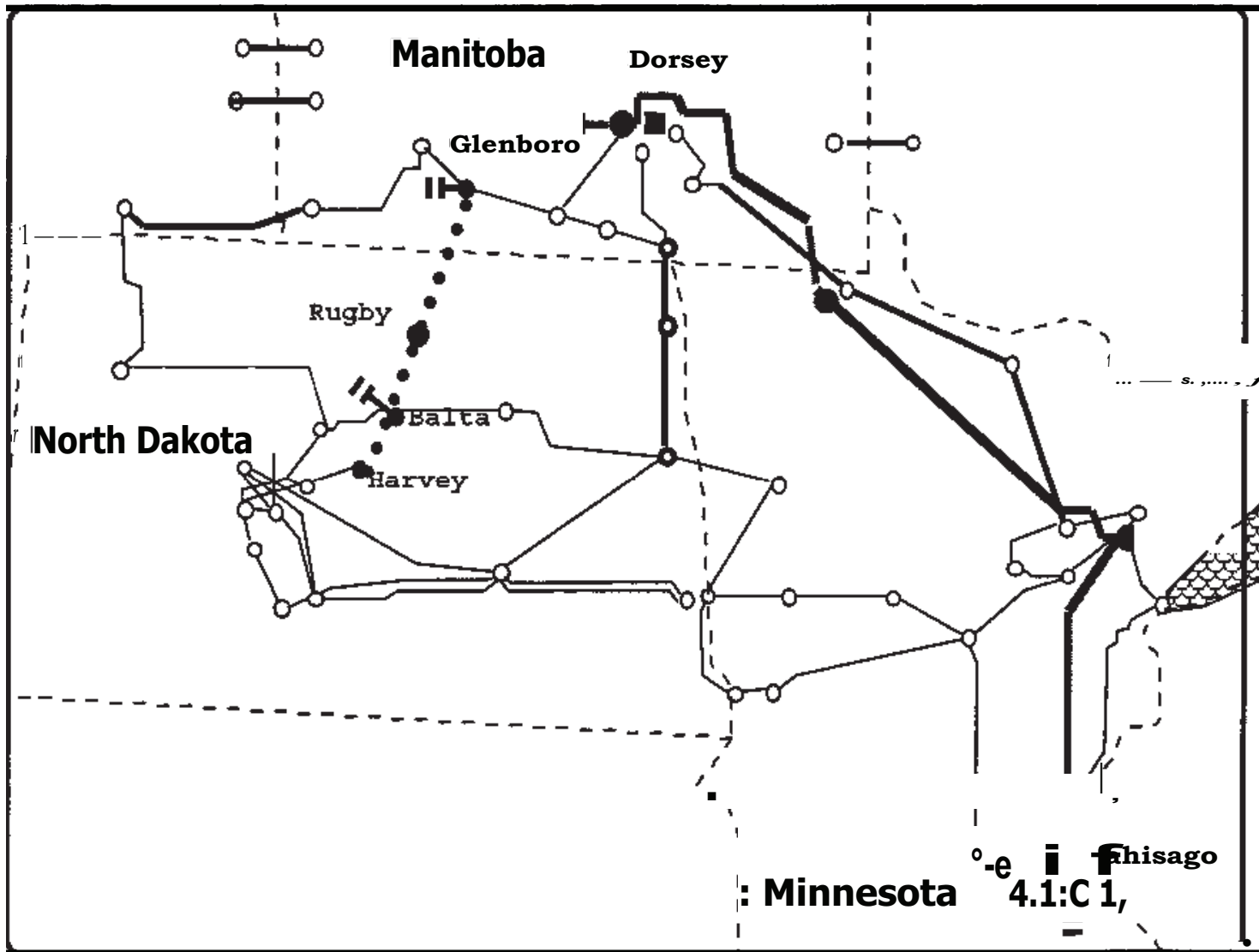
The proposed facility is entirely consistent with both the Project Partners' and MAPP's Ten-Year Transmission Plans. As described above, the proposed facility will provide greater load serving capabilities for Otter Tail and other utilities in and around north central North Dakota. It will also help relieve the transmission constraints between North Dakota and other regions.

Otter Tail's most recent Ten-Year Plan specifically expressed its intent to request siting approval from the Commission for this facility.

The following sources, not meant to be exhaustive, identify and help support the need for the project: North Dakota — Manitoba Intertie Study — November 1993; OTP Transmission Planning Study North Dakota to Canadian Intertie Study -- 1993; CPEC — OTP Long Range Transmission Study — June 1995; 1998 MAPP 10 YR Plan; 1999 MAPP Revised 10 YR Plan, 1999 MAPP RRV SPG Report on H/G Project; 2000 OTP Report on North Central North Dakota.

Attachment 1
Exhibit 2

Central North Dakota—Manitoba 230 kV Interconnection Project



Report to the MAPP Design Review Subcommittee September 2000 Volume 1

1.0 Introduction

1.1 General Information

Transmission interconnections between Manitoba Hydro (MH) and the United States (US) are shown in Figure 1. These interconnections consist of one 500 kV line and two 230 kV lines. The Dorsey—Forbes—Chisago 500 kV transmission line was placed in service in 1979. It is owned by MH in Canada and Northern States Power (NSP) which is acquired recently by XCEL Energy, Inc. in U.S. The Dorsey—Forbes (D602F) section of the 500 kV line is 334 miles long and is composed of 53 miles of triple—bundled 1272 kcm ACSR and 281 miles of triple—bundled 1192 kcm ACSR. The Forbes—Chisago section (601) of the 500 kV line is 139 miles long and is conductored with triple—bundled 1192 kcm ACSR.

The Richer—Moranville 230 kV line (R50M) and Letellier—Drayton 230 kV line (L20D) are the other two MH-U.S. interconnections. They are owned by NSP, Otter Tail Power Company (OTP), Minnkota Power Company (MPC), and Minnesota Power (MP) and are constructed using 954 MCM ACSR conductor.

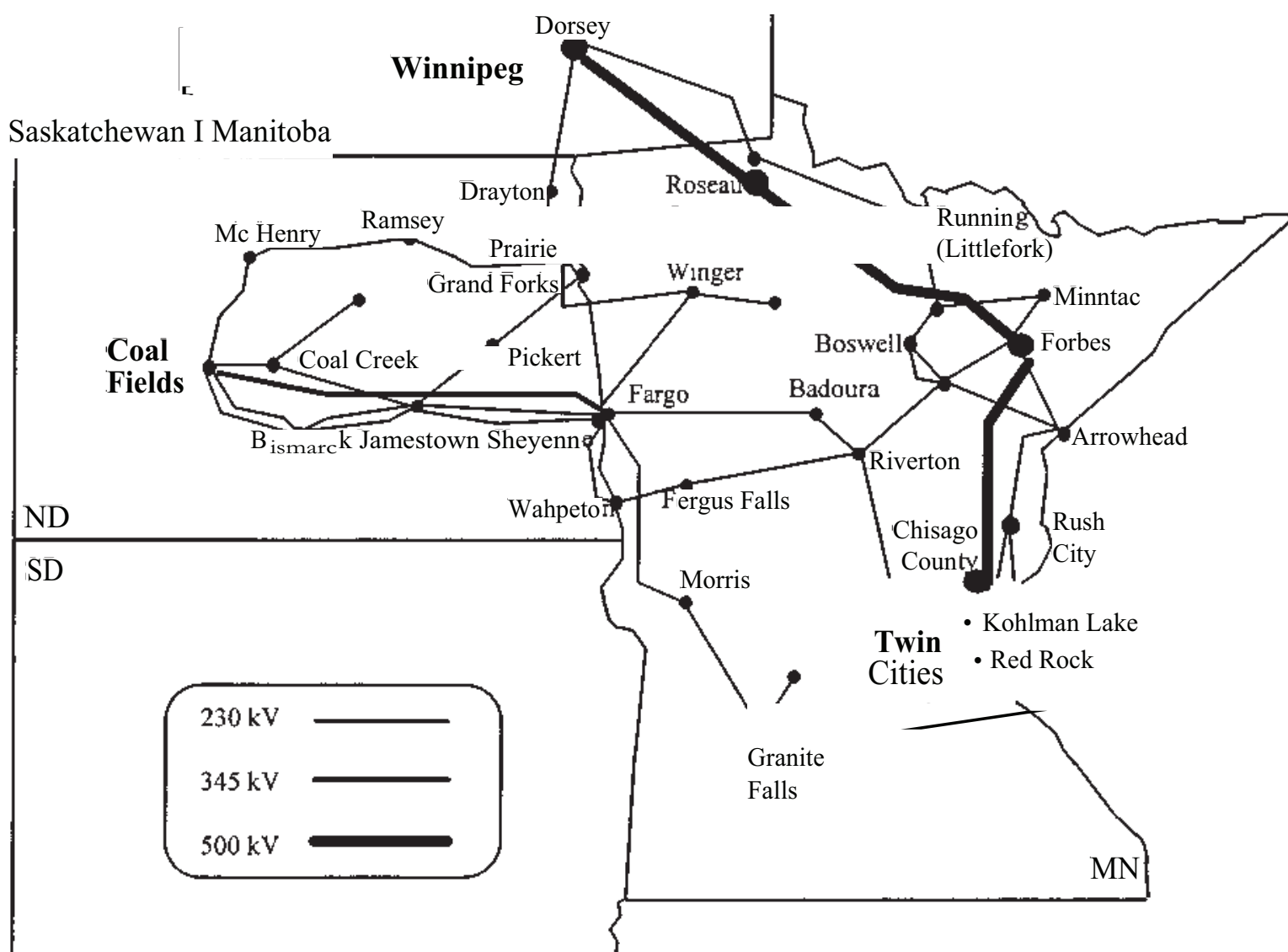


Figure 1
North Dakota and Northern Minnesota Transmission System 230 kV and Above

The 500 and 230 kV lines supported a MH-US export limit (MHEX_S) of 1900 MW and a MH-US import limit (MHEX_N) of 500 MW, as demonstrated in the *MMTU Phase 3 Report to the MAPP Design Review Committee*, May, 1992 [1]. Currently, operating studies for the summer 2000 period submitted to and approved by the Mid-continent Area Power Pool (MAPP) Operating Review Subcommittee (ORS) have established the MHEX_S to be 1975 MW and the MHEX_N to be 435 MW [2]. Both the MHEX_S and MHEX_N levels can be exceeded under certain less stressed operating conditions

The Glenboro-Rugby-Harvey 230 kV project will add a fourth MH-US interconnection. The project will increase the MH-US total transfer capability to 2175 MW southward and 700 MW northward. The projected in-service date is October 2002.

1.2 Project Background

Diversity Agreements between MH, NSP and United Power Association (UPA), now part of Great River Energy (GRE), require a long term MHEX_N of 500 MW. This MHEX_N capability must be available over a range of North Dakota export (NDEX) from 0 MW to 1950 MW, simultaneous with a Saskatchewan Power (SP)-US (Boundary Dam to Tioga 230 kV line B1OT) northward transfer of 165 MW, and an Ontario-Minnesota (Fort Frances to International Falls 115 kV line F3M) northward transfer of 100 MW. A minimum MHEX_N of 500 MW must be available over the 20-year duration (beginning in 1995) of the agreements. A MH planning study [3] showed that the transfer capability could be significantly less than 500 MW due to a variety of network limitations that include overload of the Boundary Dam phase-shifting transformer (PST) as well as thermal overload and low voltage in portions of the northern Minnesota and the northern North Dakota transmission systems. Additional transfer capability is also required for MH to access operating reserves associated with the MAPP Generation Reserve Sharing Pool.

Studies of an interconnection between Manitoba (MB) and North Dakota (ND) to enhance northward transfer capability have been ongoing since the early 1990s [4]. More recently, under the auspices of the MAPP regional planning process, MH, NSP and OTP have evaluated several alternatives for increasing the MH-US power interchange transfer capability [5], [6], and [7]. This evaluation has resulted in the recommendation of a new 230 kV tie line to be constructed between Glenboro in MB to Rugby in ND and further to Harvey in ND. The geographic location of the proposed line is shown on the following page in Figure 2.

The project will support multiple needs including increasing the US export capability to MB, enhancing load serving capability in north central ND, increasing the MB export capability into the US, enhancing transmission reliability in southwestern MB, and enhancing ND transmission for delivery of generation output across ND.

As described above, the project supports multiple needs. It would have been possible for the project partners to submit individual projects (Rugby - Harvey) to the DRS, but for efficiency, one study (Glenboro - Rugby - Harvey) was completed. In the unlikely event that a Glenboro - Rugby stage is delayed or not pursued because of permitting or other reasons, Otter Tail intends to proceed with Rugby - Harvey facilities, as the solution for enhancing the transmission system

in north central North Dakota. The parties recognize, however, should something other than a Glenboro - Rugby - Harvey project be pursued, new technical studies would be submitted for DRS review and approval.

1.3 Description of Project

The Glenboro-Rugby-Harvey project is being constructed in two phases in the US. Phase 1 deals with the Harvey to Rugby portion of the project and Phase 2 deals with the Rugby to Canada-US border portion of the project. The licensing is split into two phases since the line from Rugby to the border requires ND legislative approval and a Presidential Permit in addition to the ND Public Service Commission approval. In MB, the portion of the line from Glenboro to the Canada-US border is being licensed as one project. In addition to approval from the MB regulatory authorities, approval is also required from the National Energy Board (NEB) in Canada.

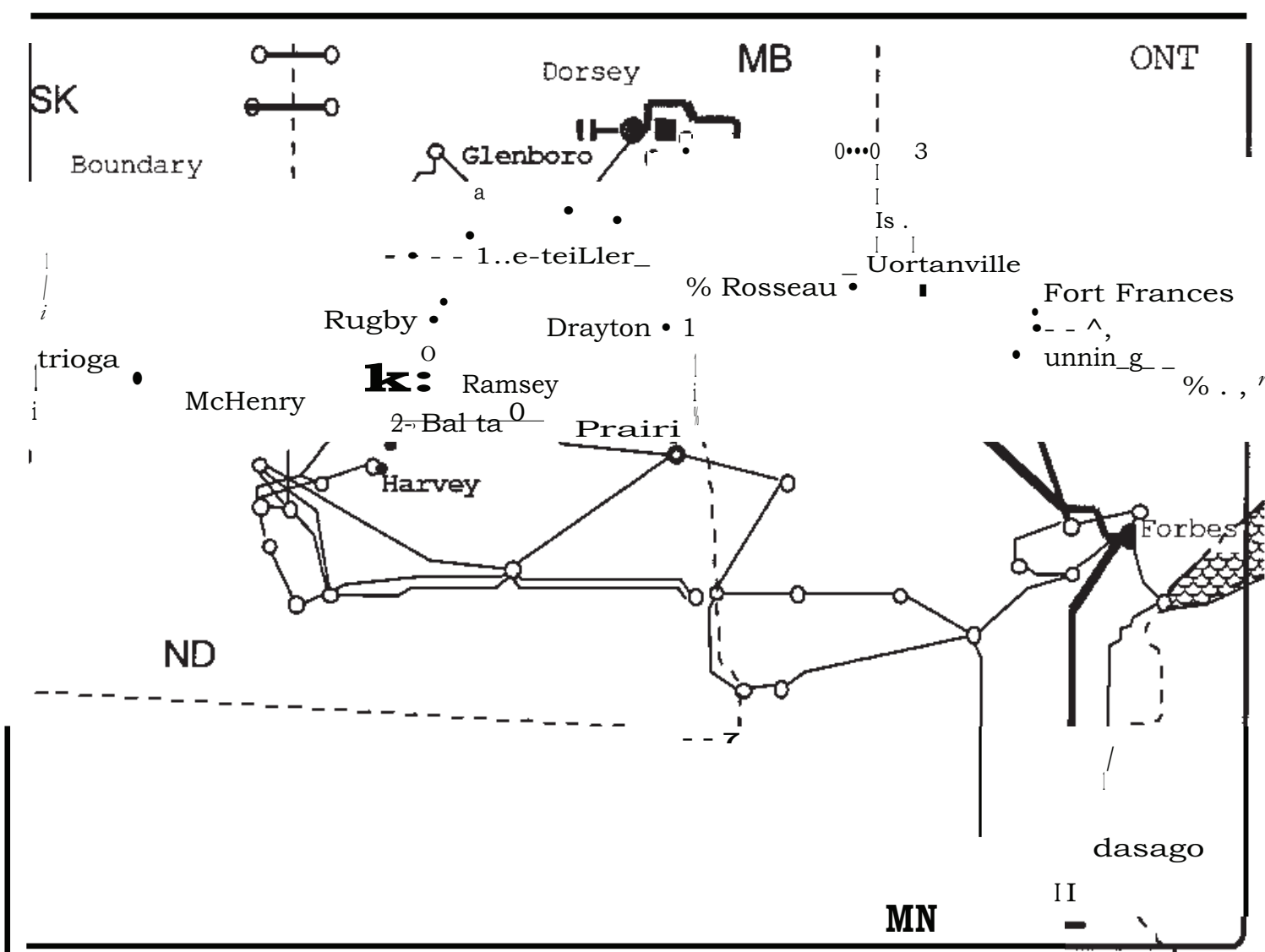


Figure 2
Geographic Location of the Glenboro-Rugby-Harvey 230 kV Line

All the facilities for the Glenboro-Rugby-Harvey 230 kV project are listed in Table 1. A single line diagram for the Glenboro-Rugby-Harvey 230 kV line and associated facilities is shown in Figures 3.

In ND, new 230 kV transmission lines will be constructed from Harvey to Balta (22 miles), from Balta to Rugby (19 miles), and from Rugby to the Canada-US border (53 miles).

A new 230 kV station, with a five circuit breaker ring, will be established at Balta to terminate the Harvey-Balta and Balta-Rugby lines. The existing McHenry to Ramsey 230 kV line will be sectionalized at Balta. Additionally, three 60 Mvar 230 kV "fast switched" shunt capacitor banks will be installed at Balta

A new 230/115 kV station, with a three circuit breaker 230 kV ring, will be established at Rugby to terminate the Balta-Rugby and Rugby-Glenboro lines. This station that will be called Rugby East (Figure 3) will be located 2 miles east of the existing Rugby 115 kV station near the right-of-way of the existing Rugby-Rolette 115 kV line. A new 230/ 115/ 13.8 kV, 75/100/120 MVA transformer will be installed at Rugby East. Also, a three circuit breaker 115 kV ring, will be provided to terminate the transformer at Rugby East, and to sectionalize the existing Rugby-Rolette 115 kV line. A 25 Mvar switched shunt reactor will be installed on the tertiary of the new Rugby transformer.

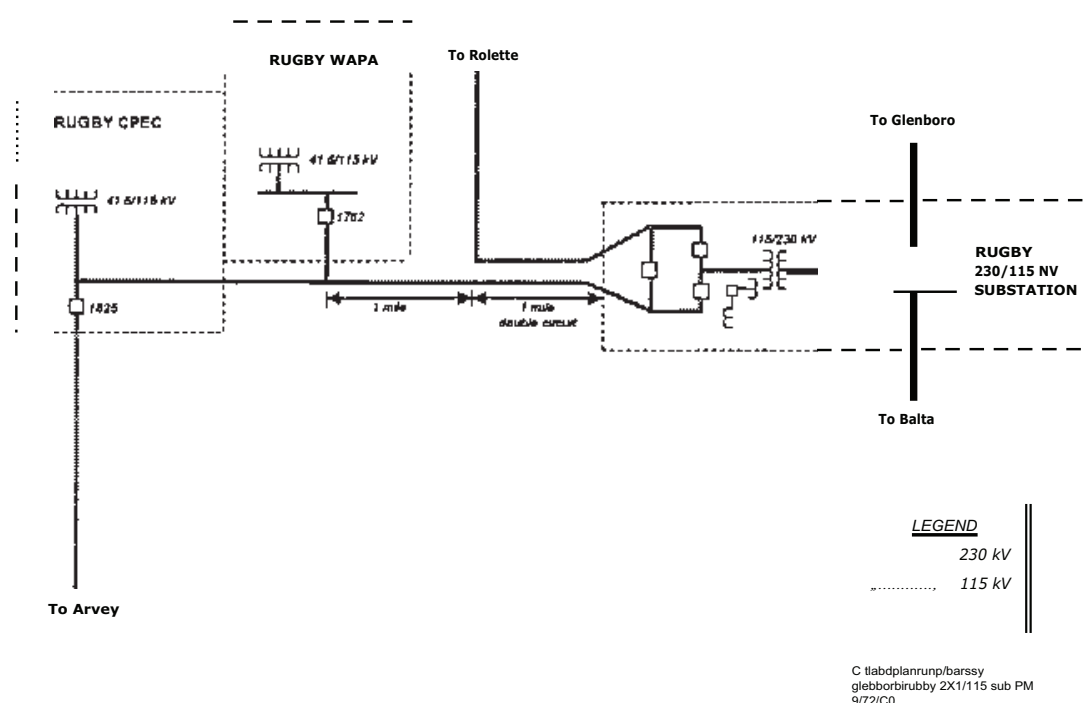


Figure 3
Rugby East Station Location

The Balta-Harvey line will be terminated into the bus at Harvey by adding one new 230 kV breaker.

In MB, 59 miles of new 230 kV transmission line will be constructed from Glenboro to the Canada-US border.

The Glenboro-Rugby line will be terminated into the Glenboro 230 kV ring by adding one 230 kV circuit breaker. A 25 Mvar switched shunt line reactor will be added on the line end at

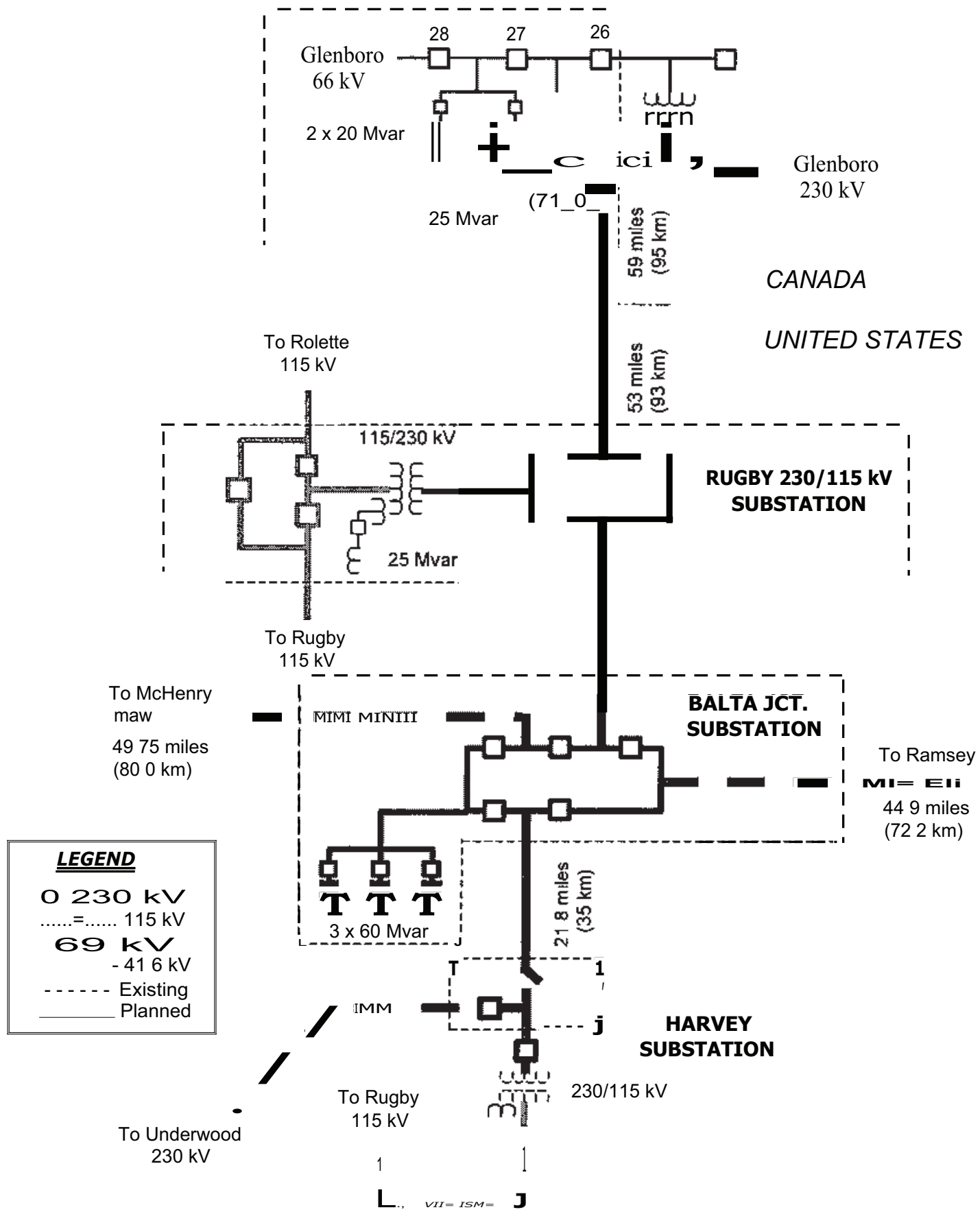
Glenboro. Also, two 20 Mvar, 66 kV switched shunt capacitors will be added to the Glenboro 66 kV ring.

Table 1
Glenboro-Rugby-Harvey 230 kV Project Facilities

<p>U.S. Transmission Harvey - Balta 230 kV transmission line (22 miles) Balta - Rugby 230 kV transmission line (19 miles) Rugby — Canada/U.S. border 230 kV transmission line (53 miles) Sectionalize the McHenry-Ramsey 230 kV line at Balta</p> <p>Manitoba Transmission Glenboro — Canada/U.S. border 230 kV transmission (59 miles)</p>
<p>U.S. Station Facilities Establish the Rugby 230 kV Transformer Station — 3 breaker ring Install a Rugby 230/115/13.8 kV 75/100/140 MVA transformer Install a 25 Mvar switched reactor on the Rugby transformer tertiary Establish the Balta 230 kV Switching Station —5 breaker ring Install 3x60 Mvar 230 kV shunt capacitors at Balta Install a second 345/115 kV 448 MVA transformer at Chisago County Install 5x60 Mvar 115 kV switched shunt capacitors at Chisago County</p> <p>Manitoba Station Facilities Add one 230 kV breaker at Glenboro to terminate the Rugby line Install at Glenboro a 25 Mvar 230 kV switched line shunt reactor Install at Glenboro 2x20 Mvar 66 kV switched shunt capacitors Install 3x36.7 MVAR 46 kV switched shunt capacitors on the Dorsey 500/230/46 kV Bank52 tertiary</p>

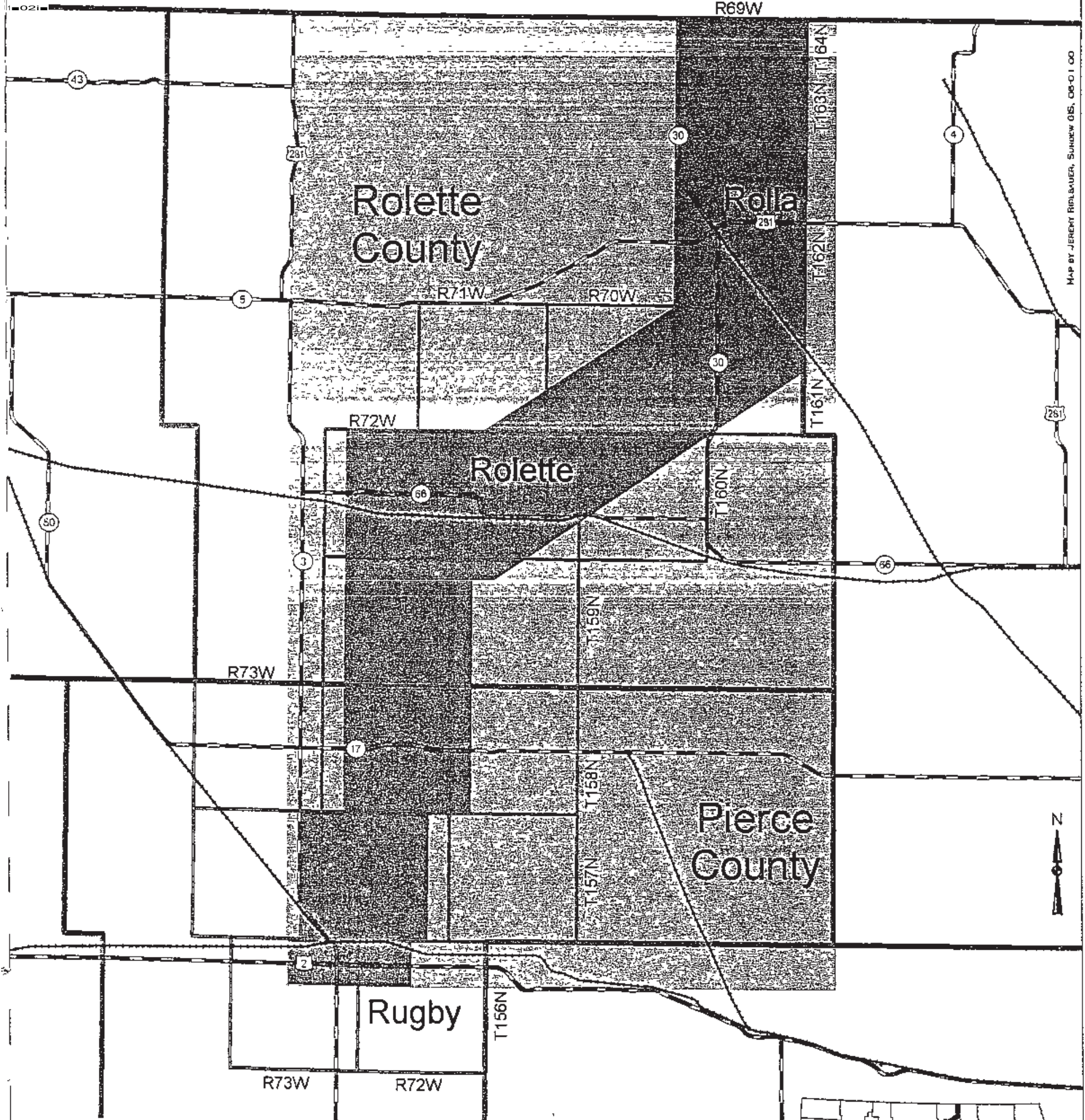
To provide additional reactive power for the increased Winnipeg-Twin Cities (W-TCs) 500 kV line loading, three 36.7 MVAR 46 kV shunt capacitor banks will be added on the tertiary of the existing Dorsey 500/230 kV transformer (Bank52). In addition, a 345/115 kV, 448 MVA transformer and five 60 Mvar, 115 kV switched shunt capacitor banks (one spare) will be installed at Chisago. The Chisago transformation is an advancement of transformation needed for the Chisago-Apple River 115 kV transmission line project. A single line diagram showing the facilities proposed for the W-TCs 500 kV line is included as Figure 5.

The Glenboro-Rugby-Harvey facilities will increase the MH-US southward transfer capability to 2175 MW, simultaneous with a high NDEX and Twin Cities export (TCEX). These facilities will also increase MI-I-US northward transfer capability upto 700 MW over a range of NDEX from 0 to 1950 MW.



Attachment 2
Exhibit 1

Otter Tail Power Company - Northern State Power Company Proposed Rugby to the Canadian Border 230 kV Transmission Line Corridor Overview



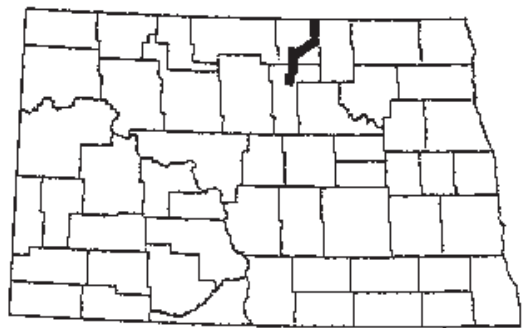
MAP BY JEREMY RIBLAUER, SUNDAY 05, 06-01-00

	Proposed Corridor
	Study Area
	Railroads
	State Highways

Scale: 1:400,000
1 inch = 6.31 miles
1 cm = 4.00 kilometers

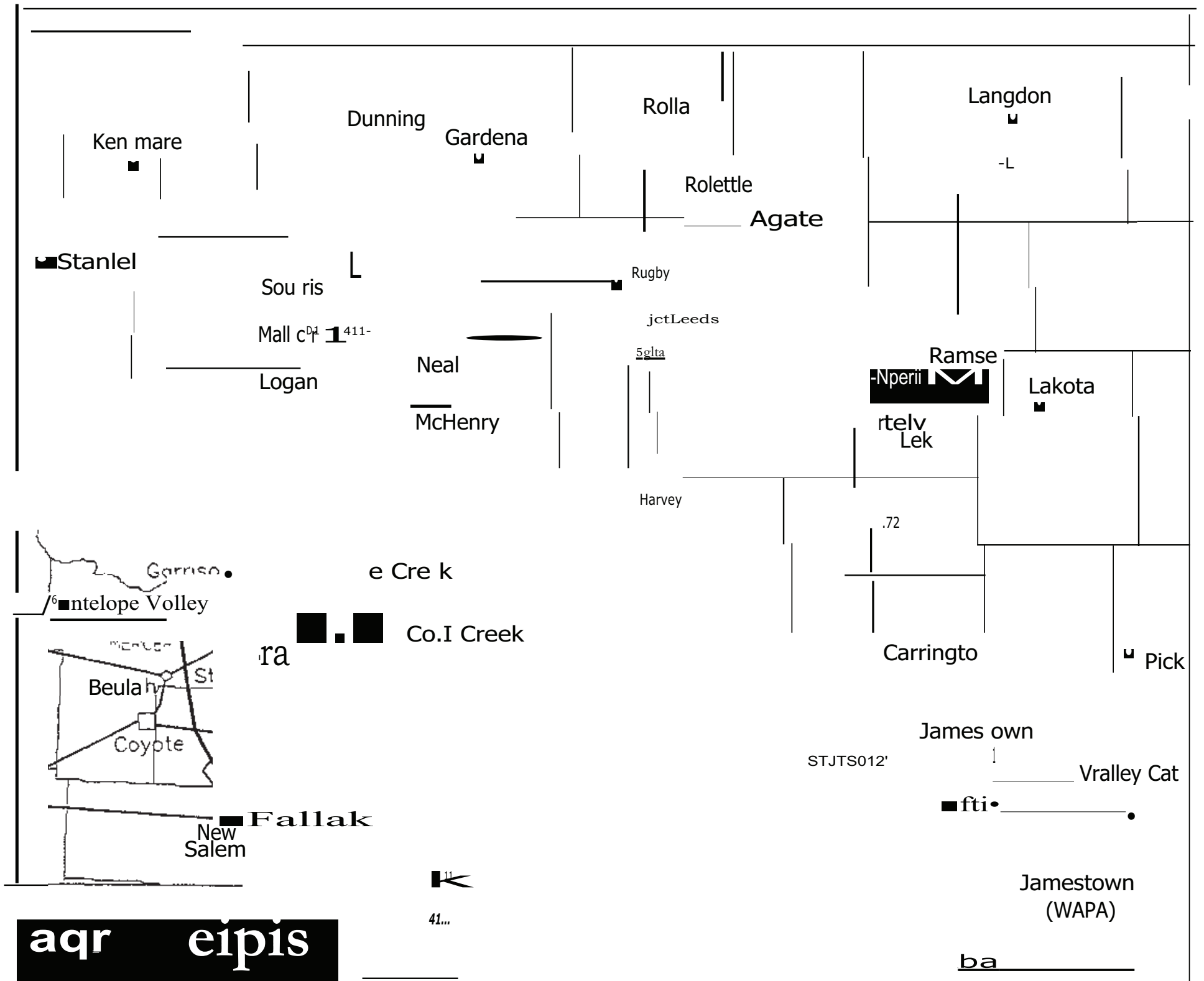
07171EIR **TAIL**
Power Company

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Attachment 2
Exhibit 2

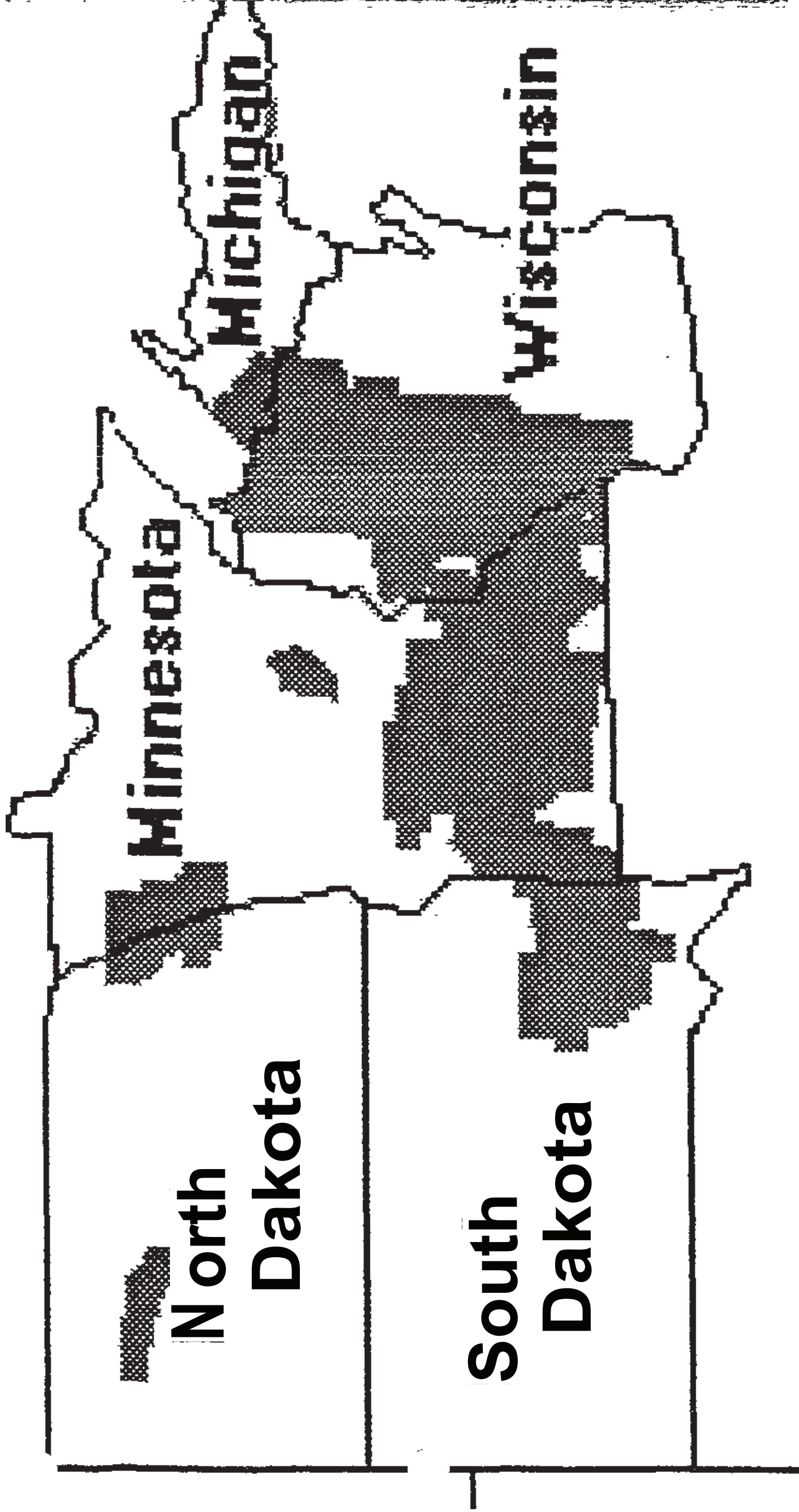
APPLICATION
for
A WAIVER OF PROCEDURES AND TIME SCHEDULES AND CONSOLIDATED APPLICATIONS
for
A CERTIFICATE OF CORRIDOR COMPATIBILITY AND ROUTE PERMIT
for
SITING OF A 53-MILE 230kV TRANSMISSION FACILITY
from
RUGBY TO CANADIAN BORDER



OFTRAIL ***0, Xcel Energy***
Power Company

September 2000

Attachment 2
Exhibit 3



**North
Dakota**

**South
Dakota**

Minnesota

Michigan

Wisconsin

Attachment 3
Exhibit 1

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company/Northern States
Power Company
230 Kv Transmission Line/ Pierce, Rolette
Counties
Application**

Case No. PU-2280-00-200

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

December 29, 2000

Appearances

Commissioners Bruce Hagen, Susan E Wefald and Leo M. Reinbold.

Allen C. Hoberg, Director, Office of Administrative Hearings, 1717 North 9th Street, Bismarck, North Dakota, 58501-1882, as hearing examiner.

Bruce Gerhardson, Associate General Counsel, Otter Tail Power Company, 215 South Cascade Street, Fergus Falls, Minnesota 56537, on behalf of Otter Tail Power Company.

Jerry K. Rocheleau, 7400 35th Avenue Northeast, Rugby, North Dakota 58368, landowner and intervenor.

William W. Binek, Chief Counsel, Public Service Commission, State Capitol, 12th Floor, Bismarck, North Dakota 58505-0480, on behalf of the Public Service Commission.

Preliminary Statement

On April 26, 2000, Otter Tail Power Company (OTP), 215 South Cascade Street, Fergus Falls, Minnesota 56537, filed a letter with the Commission, indicating its intent to construct a new 230 kV transmission facility from Rugby, North Dakota, to the Canadian border north of Rolla, North Dakota, and indicated its intent to request a waiver of the required one-year waiting period for filing an application

On May 11, 2000, the Commission assessed a filing fee of \$65,000 due upon filing of the siting application for the proposed electric transmission line.

On September 11, 2000, OTP and Northern States Power Company (NSP) filed an application for a Certificate of Corridor Compatibility and a Route Permit, and

\$65,000 filing fee, for the construction of approximately 53 miles of 230,000 volt (230 kV) three-phase alternating current electric transmission line from Rugby, North Dakota, to the Canadian border, north of Rolla, North Dakota. The proposed corridor and route is in Pierce and Rolette Counties. (Hereafter, OTP and NSP are jointly referred to as "Project Partners.")

In the application, the Project Partners request that the Commission waive procedures to allow for combining filing of applications for a Corridor Certificate and a Route Permit, to hold a single - consolidated hearing on the waiver request and applications for Corridor Certificate and Route Permit, and to waive the requirement for mylar maps. More specifically, the Project Partners request the Commission: (1) waive the provisions of N D.C. §49-22-13(2), and N.D. Admin. Code §69-06-01-02(3) insofar as they require separate public hearings on waiver requests; (2) waive the provisions of N D C.C. §§49-22-08 & 08.1, 49-22-13 and N D Admin Code §69-06-01-02 insofar as they require separate application filings, separate hearings on the filings, and certain time schedules; and (3) allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commission's Guidelines.

On September 21, 2000, the Project Partners filed a supplement and amendment to their Application to provide further justification for their request for waiver of procedures and timelines, to further describe how the Project Partners considered the relative value of each facility siting criteria in determining the proposed corridor and route, and to request a waiver of the one-year waiting period for filing an Application.

On September 27, 2000, the Commission deemed the application was complete, shortened the one-year waiting period for filing an Application, and issued a Notice of Filing and Notice of Hearing scheduling a consolidated public hearing for November 21, 2000, at 10 00 a.m in the Otter Tail Power Company Community Room, 226 Main Ave. S., Rugby, North Dakota. The issues to be considered in the proceeding are:

1. Will the location, construction, and operation of the proposed electric transmission line produce minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota?
2. Is the proposed electric transmission line compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed electric transmission line corridor minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?
4. Is it appropriate for the Commission to waive the procedures as requested in the application?

On November 15, 2000, the Project Partners filed a second amendment to their Application in order to make two slight changes to the proposed route. The first change proposes to move the route in Sections 8, 17, and 18 of Township 160N and Range 71W by 380 feet to the east, for approximately 1 mile, in order to ensure the transmission line will be more than 500 feet from an occupied residence. The second change proposes to move the route in Sections 3, 10, 15, and 22 of Township 157N and Range 72W by approximately 460 feet to the southeast to ensure that the transmission line excludes a Federal Wildlife Area.

The public hearing was conducted as scheduled. At the hearing the Project Partners requested that a third amendment to their Application be accepted. The third amendment proposed to move a one and one-half mile portion of the route in Sections 11 and 14 of Township 162N and Range 69W to the east approximately one-half mile, in order to ensure the transmission line will be more than 500 feet from a residence. The Commission request that this proposal be filed as late-filed exhibit 8C. Also at the hearing, landowner Jerry K. Rocheleau's request to intervene was granted.

On December 1, 2000, the Project Partners filed late-filed exhibit 8C as well as late-filed exhibit 10, Additional Information Analyzing Possible Alternate Routes; late-filed exhibit 11, Information Regarding Location of Rugby Substation; and late-filed exhibit 12, Information Regarding the Location of Structures on the Tuff Property.

On December 11, 2000 the Commission held a worksession to consider the evidence in this proceeding.

On December 15, 2000 the Project Partners filed a supplement to late-filed exhibit #10 which analyzes an additional alternate route.

Also on December 15, 2000 the Project Partners filed a copy of a signed statement by Thomas J. Sampson to be added to late-filed exhibit 11.

December 21, 2000 the Project Partners filed late-filed exhibit 5A, a copy of a letter from Byron Olson regarding the need for a cultural resources inventory for the proposed alternate route in Section 14, T162N, R69W. The Project Partners also filed a letter explaining the addendum contained in the Thomas J Sampson letter in late-filed exhibit 11 and clarifying references to service lists for letters sent various agencies. Also included in the filing were 8-1/2 by 11 inch maps of of the corridor and route.

On December 26, 2000, Jerry K. Rocheleau filed a formal protest to the Public Service Commission of the route proposed by the Project Partners in the December 21, 2000 filing

On December 28, 2000, the Commission held a final worksession in this proceeding.

Having heard and considered this matter, the Commission makes the following

Findings of Fact

- 1.** **OTP** is a public utility under Title 49 of the North Dakota Century Code, headquartered at 215 South Cascade Street, Fergus Falls, Minnesota 56537. OTP serves customers in central and eastern North Dakota, as well as western Minnesota and northeastern South Dakota. NSP is a public utility under Title 49 of the North Dakota Century Code, headquartered at 414 Nicollet Mall, Minneapolis, Minnesota 55401-1993. NSP serves customers in North Dakota, as well as other states OTP and NSP have made this Application jointly.
2. The Project Partners state the electric transmission facility is necessary to solve multiple transmission problems endemic to the north central North Dakota electric transmission system thereby providing benefits to the Project Partners' and other utilities' customers in the project area. The electric transmission facility will also connect at the North Dakota/Canadian border with facilities emanating south from Glenboro, Manitoba, and thereby alleviate the existing transmission constraints in the region
3. Designation of a corridor and a route for a proposed transmission facility must be made in accordance with the criteria established pursuant to **N.D.** Admin. Code §69-06-08-02 and the considerations set out in N.D.C.C. §49-22-09
4. The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this transmission system are addressed for the most part by North Dakota utilities that comprise the Mid-Continent Area Power Pool's (MAPP's) Red River Valley Subregional Planning Group (RRV SPG), in which the Project Partners participate.
5. The Project Partners propose to construct a new 230 kV transmission line approximately 53 miles long, from Rugby, North Dakota, to the Canadian border The southern terminal of the proposed facility will be a substation southeast of Rugby, which will be constructed as part of the earlier proposed Harvey to Rugby 230 kV transmission facility (Case No. PU-401-99-586). The northern terminal will be at the Canadian border where the proposed facility will tie into a new 230 kV line emanating out of Glenboro, Manitoba, and being constructed by Manitoba Hydro
6. The proposed facility will be constructed using wood pole H-frame structures, and possibly some steel structures. The structures will range from 65 to 100 feet high, and spans will range from 700 to 1000 feet The structures will support three-phase conductors and two overhead shield wires for lightning protection The conductors will be constructed of steel reinforced aluminum strands with the trade designation 954

MCM ACSR 54/7. All construction, testing, and operation will conform to the requirements of the National Electric Safety Code

7. The total estimated cost of the project is \$13 million.

8. The Project Partners plan to begin easement acquisition by March 2001, vegetation clearing by November 2001, construction by November 2001, and energize the line by July 2002.

9. The Project Partners request approval of a corridor approximately six miles wide by 53 miles long, the center of which extends from Sections 11 and 12, Township 156N, Range 73W near Rugby, in a northerly direction to Sections 27 and 28, Township 164N, Range 69W at the Canadian border near Rolla. The Corridor was selected following evaluation of a Study Area approximately 30 miles wide by 45 miles long, or approximately 1,350 square miles

10. The Project Partners contacted State and Federal agencies to notify them of the proposed corridor on October 6, 1999. In those initial contacts, the Project Partners described a corridor extending from Harvey to the Canadian border (the original intended length of the proposed facility). A second letter was sent on November 24, 1999 to present the proposed route, which also extended from Harvey to Rolla. A third letter was sent on April 20, 2000 to notify the agencies of a minor change in the proposed corridor from Rugby to the Canadian border. A fourth letter was sent on July 28, 2000 to provide the proposed route from Rugby to the Canadian border.

11. BlueStem, Incorporated (BlueStem), an environmental consulting firm, compiled data from numerous sources to analyze the biological, environmental, historic, and archeological conditions within the proposed corridor. The data included information received following agency consultations, data publicly available from other sources, and data collected during field examinations. BlueStem used a computerized geographic information system (GIS) to compile and analyze the data. This GIS was also used to produce maps showing the existence and non-existence of criteria (as defined in N.D Admin. Code §69-06-08-02) within the corridor.

12. BlueStem determined that impacts to wetlands would be limited to, at most, placement of some structures into temporary or seasonal wetland edges. BlueStem determined that none of the structures would be placed in open water, which ensures that fill will not need to be placed into wetlands. BlueStem stated that boring holes for pole in these wetlands will create minimal impacts and wetland functions will not be affected in the long run.

13. The Project Partners will contact the U.S. Fish and Wildlife Service and request that they conduct a field determination to identify which of the structures are in wetlands. The Project Partners will request that a special use permit be granted for structures in wetland easements. The Commission finds that copies of such special

use permits should be filed with the Commission prior to construction of the transmission line

14. The Project Partners will also contact the U S. Army Corps of Engineers and request a Clean Water Act (Section 404) permit for placing structures in wetlands The Commission finds that copies of such permits shall be filed with the Commission prior to construction of the transmission line.

15. No designated or registered national parks, memorial parks, historic sites, landmarks, natural landmarks, monuments, or wilderness areas are located with in the corridor.

16. No designated or registered state parks or nature preserves are located within the corridor.

17. Several park and recreational facilities located in and near Rugby, Rolette, and Rolla are located within the corridor, however OTP will exclude these facilities from the route. No other such facilities are located within the corridor.

18 There are no areas within the corridor that are critical to the life stages of threatened or endangered species.

19 There are 3,275 acres of federal Waterfowl Production Areas within the corridor The route will avoid all of these areas. There are no other designated or registered national historic districts, wildlife areas, wild, scenic, or recreational rivers, wildlife refuges or grasslands within the corridor.

20 BlueStem contracted with Powers Elevation Co , Inc. (historical and archeological consultant) to conduct archeological investigations along the route. A Class I (files search) was made along a six-mile wide corridor for the entire transmission line route between Harvey and the Canadian border, and a report summarizing those efforts was submitted to the North Dakota State Historical Preservation Officer (SHPO) and the Commission. Based on the report, the SHPO concurred that only selected portions of the route required Class III (intensive pedestrian ground search) inventories The Cultural Resource Management Report prepared by Byron Olson of Powers Elevation Co , Inc. indicated that no historic sites, monuments, historical markers, or archaeological sites are located within the corridor. No known sites eligible for the National Historic Registry are located within the corridor.

21 No areas within the corridor are geologically unstable.

22 There are 278 rural residences within the corridor. There are also numerous residences and businesses within the corridor near the communities of Harvey and Rugby. The route will not come within 500 feet of any structure being used for a residence or business.

23. There are reservoirs within the corridor, totaling approximately 2000 acres of surface water. The Project Partners propose that the route avoid all such areas. No municipal water supplies are within the corridor.
24. No water sources for organized rural water districts are located within the corridor.
25. There are two irrigation permits located within the corridor—one in the southwest quarter of Section 6, T. 156N, R. 72W and one in the southeast quarter of Section 23 and the southwest quarter of Section 24, T. 158N, R. 72W. Both are in Pierce County. The Project Partners propose that the route avoid these areas.
26. No areas of recreational significance otherwise designated are located within the corridor.
27. The corridor is made up largely of agricultural production lands. The Project Partners propose that there will be minimal adverse impacts upon agricultural production along the route during construction and operation of the proposed facility. The United States Department of Agriculture Natural Resources Conservation Service investigated the proposed facility and reported that it saw "no potential environmental or human impacts with this project". The Service did request further information of the precise location of the route once it is finalized. The Project Partners have agreed to comply with this request.
28. The proposed facility is not expected to have any impact upon surface drainage patterns and ground water flow patterns.
29. The proposed facility is expected to have very minimal impacts upon noise-sensitive land uses. The North Dakota Department of Health recommended that all construction equipment be equipped with recommended mufflers in good working order and construction activities near homes and places of business be limited to normal working hours. The Project Partners have agreed to comply with this recommendation.
30. The proposed facility will be visible to landowners and community residents who live near the facility.
31. Eighteen gravel and sandpits are located within the corridor. Numerous inactive, unreclaimed gravel pits exist within the corridor. The route will avoid all active gravel and sandpits. No other extractive or storage resources are located within the corridor.
32. There are 15,883 acres of wetlands and lakes within the corridor. The U.S. Fish and Wildlife Service has an interest in some of these areas. Permits and mitigation will be required by the Service and the U.S. Army Corps of Engineers wherever wetlands are impacted. The Project Partners have agreed to obtain all required permits and comply with any mitigation requirements of these agencies. The Project Partners will also obtain permits where required for permanent easements held by the U.S. Fish and

Wildlife Service. The Commission finds that copies of such permits shall be filed with the Commission prior to construction of the transmission line.

33. Approximately 4,868 acres of woodlands and shelterbelts are located within the corridor. BlueStem states that approximately 13 to 14 acres of woodlands will be lost due to construction of the facility. The Project Partners agree to replace two trees for every tree that is removed and will contact landowners to determine preferred locations off of the right of way for replacement trees. For those landowners who do not desire replacement trees to be planted on their property, the Project Partners agree to plant replacement trees as directed by the Parks Department of Rugby, Rolla, and Rolette, North Dakota.

34. No impacts to radio and television reception and other communication or electronic control facilities are anticipated from the proposed facility.

35. The Project Partners request approval of a route within its proposed corridor, originating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota, and proceeding in a Northerly direction for approximately 53 miles terminating in Township 164N, Range 69W, Section 26 in Rolette County at the Canadian border near Rolla, North Dakota. The right-of-way along the route will be 120 feet wide (60 feet on either side of the route)

36. The route will avoid all Federal Waterfowl Production Areas.

37. The route will avoid all Wildlife Management Areas managed by the North Dakota Game and Fish Department.

38. The route will not come within 500 feet of any structure being used for a residence or business

39. The route will avoid all water reservoirs.

40. The route will avoid all irrigation permit areas

41. The route will have no impact upon surface drainage patterns and ground water flow patterns.

42. The route will avoid all active gravel and sandpits.

43. Human health and safety are not expected to be impacted by the proposed facility. The North Dakota Department of Health investigated the proposed facility and concluded "impacts from the proposed construction will be minor and can be controlled by proper construction methods" The Project Partners have agreed to employ proper construction methods to insure the project will result in minimal impacts to human health and safety The proposed facility will be designed and constructed to meet or exceed the standards of the National Electric Safety Code.

44 Animal health and safety is not expected to be impacted by the proposed facility

45. Impacts of the proposed facility on agricultural plant life will be minimal, and landowners will be compensated for any losses Native plant life will be impacted minimally and mitigation will be conducted by the Project Partners.

46. The Project Partners have adopted policies and practices that will maximize benefits and therefore this application should be given preference. Examples of such policies and practices are as follows: The Project Partners have policies to minimize and mitigate environmental impacts, to follow the National Electric Safety Code requirements and policies, to design their systems to efficiently transfer electricity, to insure worker and public health and safety and to insure cost effective methods of meeting its delivery obligations Furthermore, the Project Partners have policies and practices that encourage training and utilization of available labor in this state for the general and specialized skills required. The Project Partners have also coordinated its existing facilities with the proposed facility to insure reliability and enhance efficiency.

47. In response to concerns expressed by Thomas J. Samson, landowner of property adjacent to the Rugby substation, the Project Partners discussed options for moving the substation or otherwise mitigating the visual impact of the substation Samson and the Project Partners agreed that impacts could be mitigated by planting screening foliage. The Project Partners also agreed to use their best efforts to locate as far to the south as possible a 115 kV line that will run from an east-west 115 kV transmission line owned by Central Power Cooperative to the Rugby substation and back to the east-west line. The Project Partners agreed to consult with Samson to determine an appropriate screening cover. The Project Partners also agreed to report back to the Commission with the particular type of foliage that will be used We find that the concerns of the landowner are adequately addressed by the agreement between the landowner and the Project Partners.

48. In response to concerns expressed by Dennis Tuff, landowner, the Project Partners reviewed options to mitigate the impact of structures placed upon Tuffs property. It was determined that spanning Tuffs property would require placing either one structure in approximately the center of the span or two structures near the edges of the property lines on each end of the span The Project Partners agreed to confer with Tuff and determine his preference between these two options. We find this solution to adequately mitigate any concerns raised by Tuff We find that the Project Partners should report to the Commission the option chosen by Dennis Tuff with a revised map showing the new structure locations

49. In response to concerns expressed by Jerry K Rocheleau, landowner/intervenor, the Project Partners analyzed six alternative routes in proximity to Rocheleau's property. Mr. Rocheleau expressed concern that the original proposed route would intersect the flight path of waterfowl and other birds resulting in high bird mortality. Mr. Rocheleau was also concerned about the visual impacts resulting from the original

proposed location of the facility. We find that Alternate Route #5 best mitigates Mr. Rocheleau's concerns by avoiding the bird flight path and avoiding the objectionable visual impact.

50. The Commission is aware that there are large numbers of migratory birds that pass through the area of the proposed transmission line. The Project Partners brought samples of bird deflectors to the hearing and stated that they will work with state and federal officials to identify areas along the route that could benefit from having bird deflectors installed. We find that the Project Partners should consult with the U S Fish and Wildlife Service and the North Dakota Game and Fish Department to determine where bird deflectors would be beneficial for the protection of wildlife. The Project Partners will be required to place bird deflectors on the transmission line as recommended or required by those agencies, and shall file a report with the Commission concerning the results of consultations with the agencies and the actions taken by the Project Partners.

51. The Project Partners, in conjunction with other members of the Red River Valley Subregional Planning Group of the Mid-Continent Area Power Pool considered several alternatives to resolve long identified problems with the 115 kV system between Devils Lake and Minot, including a Harvey — Devils Lake — St. Leon 230 kV facility and a Garrison — Mallard — Dunning 230 kV facility. The RRV SPG and MAPP determined that the most efficient and prudent project was a 230 kV electric transmission facility from Harvey to Glenboro, Manitoba. The application in this proceeding, for the Rugby to Canadian border facility, is the second phase of the Harvey to Glenboro facility. The proposed facility will provide significant load serving reinforcements in central North Dakota. The proposed facility is the most prudent and feasible method of serving this need.

52 We find that the proposed corridor and route are compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota, while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

53 The Project Partners requested a waiver of the procedures concerning the provisions of N D C.C. §§49-22-08 & 08 1, 49-22-13, and N D , Admin Code §69-06-01-02 insofar as they require separate application filings, separate hearings on the filings, and certain time schedules. The Project Partners stated that the waiver should be granted because the proposed facility is of such design, location, and purpose that it will produce produce minimal adverse effects. We agree cl be granted for the consolidation of the application filings and for consolidation of beanngs in one location. No waiver of time schedules is required for action by the Commission within the time period requested by the Project Partners

54 The Project Partners requested a wavier to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required

by the Commission's Guidelines. The Commission has often granted a waiver of this requirement and we agree to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicants, Otter Tail Power Company and Northern States Power Company, and over the subject matter of this application under N D C.C. Chapter 49-22
2. The electric transmission line proposed by the Project Partners is a transmission facility as defined in N.D.C. §49-22-03(11).
3. The corridor is of such length, location, and purpose that it will minimize adverse effects upon the environment, and upon the welfare of the citizens of North Dakota, while ensuring continuing system reliability, integrity, efficient use of resources, and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.
4. The corridor is compatible with the environmental preservation and efficient use of resources
5. It is appropriate for the Commission to issue the Project Partners a Certificate of Corridor Compatibility.
6. The route is compatible with the environmental preservation and efficient use of resources.
7. It is appropriate for the Commission to issue the Project Partners a Route Permit for the proposed facility.
8. It is appropriate for the Commission to waive the procedures as requested in the application concerning waiver of the provisions of N D C.C. §§49-22-08 & 08 1, 49-22-13, and N D. Admin Code §69-06-01-02 insofar as they require separate application filings and hearings in each county, and to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commission's Guidelines.

From the foregoing Findings of Fact and Conclusions of Law, the Commission issues its

Order

The Commission orders:

1. The Project Partners' application for a waiver concerning the provisions of N.D.C.C. §§49-22-08 & 08.1, 49-22-13, and N D. Admin. Code §69-06-01-02 insofar as they require separate a application filings and hearings in each county, and OTP's and NSP's application for a waiver to allow Geographic Information criteria maps to substitute for the mylar maps and aerial photographs required by the Commission's Guidelines is GRANTED.
2. Certificate of Site Compatibility for a Transmission Facility Corridor No. 79 is issued to Otter Tail Power Company and Northern States Power Company under N.D.C.C. §49-22-08(5), designating a six-mile wide corridor as shown on the attached map.
3. Route Permit for the Construction of a Transmission Facility No. 89 is issued to Otter Tail Power Company and Northern States Power Company granting authority to construct the transmission line route in the location shown on the attached map.
4. The Project Partners shall hold a preconstruction conference prior to commencement of any construction, which must include a Project Partner representative from each company, their construction supervisor, and a representative of Commission Staff to ensure that the Project Partners fully understand the conditions set forth in this Order.
5. The Project Partners shall comply with the rules and regulations of all other agencies having jurisdiction over any phase of the proposed transmission line, and shall obtain all other necessary licenses and permits, and shall provide copies for all licenses and permits to the Commission prior to construction of the transmission line.
6. The Project Partners shall inform the Commission of their intent to start construction on the transmission line prior to the commencement of construction, and once construction has started, the Project Partners shall keep the Commission updated on construction activities on a weekly basis.
7. The Project Partners shall construct and operate the transmission line in the manner described in their application as revised at the hearing and in late filed exhibits and supplemental materials, and in accordance with all applicable safety requirements.
8. The Project Partners shall promptly report to the Commission the presence in the permit area of any critical habitat of threatened or endangered species, or of bald or golden eagles which the Project Partners become aware of and which were not previously reported to the Commission.

9 If any cultural resource, paleontological, archeological, historical, or grave site is discovered during construction, it must be marked, preserved, and protected from further disturbances until a professional examination can be made by the State Historical Society, a report of such examination is filed with the Commission, and clearance to proceed is given by the Commission.

10 All pre-existing roads and lanes used during construction must be restored to a condition that will accommodate their previous use, and areas used as temporary roads or working areas during construction must be restored to their original condition

11. Construction must be suspended when weather conditions are such that construction activities will cause irreparable damage, unless adequate protection measures approved by the Commission are taken

12. Reclamation and clean-up along the right-of-way must be continuous and coordinated with construction

13. Reclamation, fertilization, and reseeding is to be done by the Project Partners according to the National Resources Conservation Service recommendations, unless otherwise specified by the landowners and approved by the Commission

14. Project Partners' obligation for reclamation and maintenance of the right-of-way will continue throughout the life of the transmission line

15. Trees and other woody vegetation must be replaced at a rate of two for every one removed along the route. The Project Partners shall contact landowners to determine preferred locations off of the right-of-way for replacement plantings. Trees and woody vegetation must be replaced with saplings that are two or more years old.

16 The Project Partners shall inspect replacement tree plantings once a year for three years and send a report to the Commission on or shortly before October 1 of each year documenting work completion and condition of woodlands planting. The first report shall also indicate the number and variety of plantings and locations and dates of the plantings. The Commission will monitor the survival rate of replacement tree plantings, and may order additional plantings if survival rates are less than 75%.

17. The Project Partners shall work with landowners and residents to mitigate any increase in television and residential radio interference that results from the route of the transmission line

18. The Project Partners shall consult with the U S Fish and Wildlife Service and the North Dakota Game and Fish Department to determine where bird deflectors would be beneficial for the protection of wildlife. The Project Partners will be required to place bird deflectors on the transmission line as recommended or required by those agencies, and shall file a report with the Commission concerning the results of consultations with the agencies and the actions taken by the Project Partners.

19 The Project Partners shall obtain approval from the Commission or from Commission Staff prior to any changes in structure locations.

20 The Project Partners shall provide the Commission with a copy of the design specifications for the construction of the transmission line showing the location of the transmission line as built. The Project Partners shall provide this information within 3 months of the completion of the construction.

21 The authorization granted by this Order and Certificate is subject to modification by order of the Commission if deemed necessary to further protect the public or the environment

PUBLIC SERVICE COMMISSION

**Susan Wefald
Commissioner**

**Bruce Hagen
President**

**Leo M. Reinbold
Commissioner**

Attachment 3
Exhibit 2

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company/Northern States Power
Company
Transfer Corridor Cert 79 and Rte Prmt 89
Application**

Case No. PU-2280-02-77

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ORDER

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May 8, 2002

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On December 29, 2000, the Commission issued Certificate of Site Compatibility for a Transmission Facility Corridor No. 79, (Corridor Certificate no. 79) and Route Permit for the Construction of a Transmission Facility No. 89 (Route Permit No. 89), to Otter Tail Power Company (OTP) and Northern States Power Company d/b/a Xcel Energy (NSP), for the construction of approximately 53 miles of 230,000 volt (230 kV) three-phase alternating current electric transmission line from Rugby, North Dakota, to the Canadian border, north of Rolla, North Dakota. The corridor and route is in Pierce and Rolette Counties.

On February 13, 2002, OTP and NSP filed an application with the Commission requesting that Corridor Certificate No. 79 and Route Permit No. 89 be transferred solely to NSP.

On March 13, 2002, the Commission issued a Notice of Opportunity for Hearing, which provided until April 25, 2002 for receiving written comments or requests for hearing. No comments or requests for hearing were received. The notice identified the issues to be considered in this matter as whether NSP agrees and is able to comply with the terms and conditions of the siting certificates and permits currently issued jointly to OTP and NSP, and whether the requested certificate/permit transfers are compatible with the public interest.

NSP and OTP have agreed that NSP will be the sole owner of the transmission line and that OTP will act as NSP's general contractor to construct the line. NSP and OTP have further agreed that OTP will act as NSP's agent for filing requests for changes in structure locations during construction of the line.

The transfer application includes the affidavit of Audrey A. Zibelman, Vice President, Transmission, Xcel Energy Services, Inc., which affirms that upon the effectiveness of the transfer, NSP will comply with all terms, conditions and modifications contained in Corridor Certificate No 79 and Route Permit No. 89 and the Commission's December 29, 2000 Order.

The Commission finds that NSP agrees and is able to comply with the terms and conditions of Corridor Certificate No. 79 and Route Permit No. 89.

The Commission finds the requested certificate/permit transfers compatible with the public interest.

Order

The Commission Orders the application requesting transfer is granted. Corridor Certificate No. 79 and Route Permit No. 89 will be reissued to NSP upon notification of the effectiveness of the transfer.

PUBLIC SERVICE COMMISSION

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Air ony T. Clark
Commissioner

Susan E. Wild
Susan E. Wild
President

Leo M. Reinbold
Leo M. Reinbold
Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company/Northern States Power
Company
Transfer of Cert No. 79, Route Permit No. 89
Application**

Case No. PU-2280-02-77

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **10th day of May, 2002**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

Order

The envelope was addressed as follows:

James P Johnson
Northern States Power Company
800 Nicollet Mall Ste 2900
Minneapolis MN 55402
Cert. No. 7001 2510 0005 8654 8754

Bruce Gerhardson
Otter Tail Power Company
215 S Cascade St
Fergus Falls MN 56538-0496
Cert. No. 7001 2510 0005 8654 8747

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **10th day of May, 2002**.

Notary Public

SEAL

Attachment 3
Exhibit 3

uNrFEWST ES DEPARTMENT OF ENERGY

Office of Fossil Energy
Washington, D.C.

FE Docket No.

NORTHERN STATES POWER COMPANY

Presidential Permit

Order No. PP-231

February 6, 2002

PRESIDENTIAL PERMIT

NORTHERN STATES POWER COMPANY

ORDER NO. PP-231

I. BACKGROUND

The Office of Fossil Energy (F.E) of the Department of Energy (DOE) has the responsibility for implementing Executive Order (EO) 10485, as amended by EO 12038, which requires the issuance of Presidential permits for the construction, operation, maintenance, and connection of electric transmission facilities at the United States international border.

On November 2, 2000, Northern States Power Company (NSP) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) for a Presidential permit to construct, operate, maintain, and connect an electric transmission line that would cross the U.S. border with Canada. Doing business as Excel Energy Incorporated (Excel), it proposes to construct a 230,000-volt (230-kV) transmission line that would extend approximately 53 miles from a new substation to be built in Rugby, North Dakota, to the U.S.-Canadian border. From the border, the transmission line would extend an additional 50 miles into Canada to an existing substation located in Glenboro, Manitoba, Canada. The facilities within Canada would be developed, owned, and operated by Manitoba Hydro. The proposed Rugby-to-Glenboro transmission line is one component of a larger set of 230-kV transmission system improvements being implemented jointly by Excel and Otter Tail Power Company (collectively known as the Project Partners) that are designed to strengthen the reliability of the electrical system in the region encompassing North Dakota, Minnesota, and Manitoba. One of these system enhancements is another 230-kV line that would extend from NSP's existing Harvey Substation to the new Rugby Substation. However, the Harvey-Rugby line would be developed and installed whether or not DOE grants a Presidential permit for the Rugby-Glenboro line.

Notice of NSP's application for a Presidential permit was published in the *Federal Register* on February 12, 2001, (66 FR 9826) requesting that comments, protests, and petitions to intervene be submitted to DOE by March 14, 2001. None were received.

The Secretary of State and the Secretary of Defense have concurred in the issuance of a Presidential permit to NSP for the proposed facility.

II. FINDING AND DECISION

DOE has assessed the impact that the construction and operation of the proposed international transmission facilities would have on the reliability of the U.S. electric power supply system. Based on the information in the docket, DOE has determined that the installation

and operation of the proposed international transmission facilities by NSP, as conditioned herein, would not adversely impact the reliability of the U.S electric power supply; stem A reliability determination dated February 4,2002, and documenting this conclusion has been placed in the docket file.

DOE has also determined that the issuance of this Presidential permit clearly would not constitute a major Federal action which could significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 DOE has documented the rationale supporting this finding in a Finding of No Significant Impact, dated February 1, 2002

In the February 12,2001 *Federal Register* notice, DOE indicated that if the Presidential permit were granted in this proceeding it would contain a condition requiring NSP provide non-discriminatory, open access transmission services over the subject international transmission line. Such a condition has not been included in this permit at this time, since DOE is considering an administrative action that would apply the principles of non-discriminatory open access to all international transmission lines, including this line

ID. ORDER

Pursuant to the provisions of 10 CFR 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations 205.20c), permission is granted to NSP to construct, operate, maintain, and connect interstate transmission facilities at the international border of the United States and Mexico, as further described in Article 2 below, upon the following conditions.

Article 1 The facilities herein described shall be subject to all conditions, provisions and requirements of this permit This permit may be modified or revoked by the President of the United States without notice, or by DOE after public notice, and may be amended by DOE after proper application thereto.

Article 2 The facilities covered by and subject to this permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities

A 230,000-Volt electric transmission line installed on steel-poles with an 11-frame structure and extending approximately 53 miles from a new substation to be constructed in Rugby, North Dakota, to the S -Canadian international border

These facilities are more specifically shown and described in the application filed in this docket

Article 3 The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Mid-Continent Area Power Pool and

consistent with that of the North American Electric Reliability Council or their successors. Furthermore, the subject facilities shall be operated in a manner so as not to cause the total electricity imports on a combination of the facilities authorized herein and those authorized by Presidential Permits PP-45, PP-61, and PP-63 to exceed an instantaneous rate of transmission of 2,175 MW

Article 4 No change shall be made in the facilities covered by this permit or in the authorized operation of these facilities unless such change has been approved by DOE

Article 5. MP shall at all times maintain the facilities covered by this permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6 The operation and maintenance of the facilities covered by this permit shall be subject to the inspection and approval of a properly designated representative of DOE, who shall be an authorized representative of the United States for such purposes NSP shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties

Article 7 NSP shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. NSP shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the center of the transmission line are the only ones which must be resolved NSP shall maintain written records of all complaints received and of the corrective actions taken

Article 8 The United States shall not be responsible or liable for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of facilities covered by this permit; or for damages to or loss of the property of, or injuries to the person of NSP officers, agents, servants or employees or of others who may be on said premises, in) of which may arise from or be incident to the exercise of the privileges granted herein. and NSP shall hold the United States harmless from any and all such claims

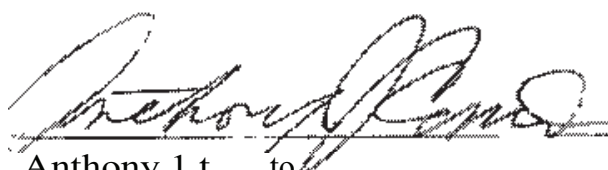
Article 9. NSP shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow or all electric energy transmitted between the United States and Canada over the facilities authorized herein NSP shall make and preserve full and complete records with respect to the electric energy transactions between the United States and Canada NSP shall furnish annual reports to DOE, by the 15th of February) annually, detailing, for each month of the previous year (1) the gross amount of electricity imported into the US in kilowatt hours. (2) the cost associated with the import. and (3) the maximum hourly rate of transmission, in kilowatts Annual reports must be filed regardless of current activity and whether or not receipts of electric energy have been made no transactions have been made. a one-sentence report indicating "no activity" for the previous year is sufficient.

Reports shall be submitted to the U S. Department of Energy, Office of Fossil Energy. FE-27, 1000 independence Avenue. SW, Washington, D.C. 20585-0305 Properly identified reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed at the above address

Article 10 Neither this permit nor the facilities covered by this permit, or any part thereof, shall be transferred or assignable, except in the event of the involuntary transfer of the facilities by the operation of law, In the case of such an involuntary transfer. this permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 10. Code of Federal Regulations, section 205.323. has been received by DOE Upon receipt by DOE of such an application, this existing permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer

Article 11 Upon the termination, revocation or surrender of this permit, the 230-kV transmission facilities which are owned, operated, maintained, and connected by NSP and described in Article 2 of this permit, shall be removed and the land restored to its original condition within such mile as DOE may specify and at the expense of NSP. if NSP fails to remove such facilities and/or any portion thereof authorized by this permit. DOE may direct that such actions be taken for the removal of the facilities and the restoration of the land associated with the facilities at the expense of NSP. NSP shall have no claim for damages by reason of such possession, removal or repair However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international Interconnection

Issued in Washington, D C on February 6, 2002



Anthony I. L. [unclear]
Deputy Director, Electric Power Regulation
Office of Coal & Power Import & Export
Office of Coal & Power Systems
Office of Fossil Energy

Attachment 4

North Dakota Transmission Lines 12/31/2002

State	Description	Functional Unit	Voltage	Xcel Line Miles	Gross Plant Investment	Reserve For Depreciation	Net Plant Investment
230 KV Lines							
ND	Maple River (Minnkota)	0910	230 KV	3 60	\$339,588 77	\$235,533 64	\$104,055 13
ND	Maple River (Minnkota)	0911	230 KV	8 00	\$772,387 03	\$399,609 08	\$372,777 95
ND	Drayton (Minnkota)	0912	230 KV	28 70	\$815,680 48	\$707,128 02	\$108,552 46
ND	Sheyenne-Fargo	0915	230 KV	4 30	\$760,358 32	\$215,339 66	\$545,018 66
ND	Prairie (Minnkota)	0916	230 KV	6 60	\$1,048,281 70	\$379,546 03	\$668,735 67
ND	Manitoba Hydro-OTP Inter (Rugby	0920	230 KV	56 30	\$13,705,457 27	\$0 00	\$13,705,457 27
Total 230 KV				107.50	\$17,441,753.57	\$1,937,156.43	\$15,504,597.14
115 KV Lines							
ND	Fargo-Wahpeton	0834	115 KV	0 10	\$8,447 37	\$0 00	\$8,447 37
ND	Maple River-Sheyenne	0839	115 KV	11 80	\$1,357,137 66	\$578,834 47	\$778,303 19
ND	Souris-Neal	0850	115 KV	25 00	\$465,401 41	\$442,723 27	\$22,678 14
ND	Mallard-Souris	0860	115 KV	5 30	\$108,868 12	\$97,600 95	\$11,267 17
ND	Cass County-Sheyenne	0866	115 KV	5 00	\$365,996 23	\$137,310 49	\$228,685 74
ND	Prairie-Nordic1	5510	115 KV	2 00	\$265,358 40	\$160,280 82	\$105,077 58
ND	Prairie-Nordic2	5511	115 KV	2 10	\$167,926 51	\$88,721 82	\$79,204 69
Total 115 KV				51.30	\$2,739,135.70	\$1,505,471.82	\$1,233,663.88
69 KV Lines							
ND	Minnkota-Prairie	0733	69 KV	46 30	\$858,169 11	\$382,482 38	\$475,686 73
ND	Prairie-Grand Forks	0746	69 KV	6 40	\$289,804 38	\$198,164 31	\$91,640 07
ND	South-Hatton	0768	69 KV	28 60	\$843,094 79	\$341,539 92	\$501,554 87
ND	Prairie-Minnkota	0772	69 KV	13 30	\$753,477 39	\$178,505 44	\$574,971 95
ND	Elk Valley-Larimore	0776	69 KV	1 70	\$46,254 53	\$32,381 14	\$13,873 39
ND	Columbia-Grand Forks	0784	69 KV	0 50	\$842 48	\$0 00	\$842 48
ND	Grand Forks (WAPA)	0786	69 KV	0 10	\$116,236 48	\$78,118 59	\$38,117 89
Total 69 KV				96.90	\$2,907,879.16	\$1,211,191.78	\$1,696,687.38
Grand Total				255.70	\$23,088,768.43	\$4,653,820.03	\$18,434,948.40

Attachment 5

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company d/b/a
Xcel Energy
Application for Certificate of
Public Convenience and Necessity**

Case No. PU-_____

NOTICE OF OPPORTUNITY FOR HEARING

December , 2003

On December 29, 2000 in Case No PU-2280-00-200, the Commission issued Certificate of Site Compatibility for a Transmission Facility Corridor No 79, and issued Route Permit for the Construction of a Transmission Facility No. 89, to Otter Tail Power Company (OTP) and Northern States Power Company d/b/a Xcel Energy (Xcel Energy), for the construction of approximately 56 miles of 230,000 volt (230 kV) three-phase alternating current electric transmission line (the 230 kV Facilities) from Rugby, North Dakota, to the Canadian border, north of Rolla, North Dakota The corridor and route is in Pierce and Rolette Counties

On May 8, 2002 in Case No. PU-400-02-77, the Commission issued an order approving a request by OTP and NSP that Certificate of Site Compatibility for a Transmission Facility Corridor No. 79 and Route Permit for the Construction of a Transmission Facility No. 89 be transferred solely to Xcel Energy.

The 230 kV Facilities were constructed in 2002 and placed into service by Xcel Energy in fourth quarter 2002.

On August 29, 2003, the Commission sent a letter to Xcel Energy indicating the Commission believes Xcel Energy should have applied for a Certificate of Public Convenience and Necessity ("CPCN") under N D.0 C. Chap 49-03 authorizing construction of the 230 kV Facilities The letter requested Xcel Energy to file a post-construction CPCN application within 90 days of the letter.

On November 26, 2003, Xcel Energy submitted an application for a post-construction Certificate of Public Convenience and Necessity for the 230 kV Facilities and the 230 kV Balta Junction Switching Station, also placed in service in fourth quarter 2002 Xcel Energy states that issuance of a post-construction CPCN would serve the public interest Xcel Energy is a public utility under Title 49 of the North Dakota Century Code, headquartered at 414 Nicollet Mall, Minneapolis, Minnesota

The issues to be considered in this matter are.

[To be inserted by Commission]

Those interested are invited to comment on this application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearing must be received by **[insert date]**. If deemed appropriate, the Commission can determine the matter without a hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-224-2400. If you require any auxiliary aids or services, such as readers, signers, or braille materials please notify Jon Mielke, Executive Secretary.

PUBLIC SERVICE COMMISSION

Anthony T. Clark
Commissioner

Susan E. Wefald
President

Kevin Cramer
Commissioner

PU-400-03-668; PU-2805-62477

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to

(7)-612- Erik

J

COMPLETE THIS SECTION ON DELIVERY

A Signature

X [Signature] Agent Addressee

B Received by (Printed Name)

C Date of Delivery

6-13-05

D Is delivery address different from item 1? Yes
If YES, enter delivery address below

3 Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail COD

4 Restricted Delivery? (Extra Fee) Yes

2 Article Number

(Transfer from service label)

7003 2260 0001 3516 8835

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

PU-400-03-668; PU-2805-63-077

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you
- Attach this card to the back of the mailpiece, or on the front if space permits

Article Addressed to

James P Johnson
Northern States Power Company
500 Mullet Mall, X-3900
Minneapolis Mn 55470

COMPLETE THIS SECTION ON DELIVERY

A Signature

X [Signature] Agent Addressee

B Received by (Printed Name)

C Date of Delivery

12-22

D Is delivery address different from item 1? Yes
If YES, enter delivery address below No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail COD

4 Restricted Delivery? (Extra Fee) Yes

Article Number

(Transfer from service label)

7003 1680 0004 9646 3580

Form 3811, August 2001,

Domestic Return Receipt

102595-02-M-1540

PU-400-03-668; PU-2805-03-6977

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits

1 Article Addressed to

Bruce A. J. 1,614 Ildir-KJ
Ottia: Ja. (1, Corporation
2. ... scale St
Sergus Jatiark, t, s³g-0⁽¹⁶⁾

COMPLETE THIS SECTION ON DELIVERY

A Signature

X [Signature] Agent Addressee

B Received by (Printed Name)

C Date of Delivery

D Is delivery address different from item 1? Yes
If YES, enter delivery address below No

3 Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail COD



DIVIDER

STATE OF NORTH DAKOTA
INFORMATION TECHNOLOGY DEPARTMENT
SFN 2053 (4-2002)



DESCRIPTION

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY CERTIFIED AND ORDINARY MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **five** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of.

Order

The envelopes were addressed as follows

James P Johnson
Northern States Power Company
800 Nicollet Mall Ste 2900
Minneapolis MN 55402
Cert. No. 7003 2260 0001 3516 8835

Bruce Gerhardson
Otter Tail Corporation
215 S Cascade St
Fergus Falls MN 56538-0496
Cert. No. 7003 2260 0001 3516 8842

Sharon Helbling further deposes and says that on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Dan Kuntz
P 0 Box 1695
Bismarck ND 58502-1695

Dave Sederquist
Xcel Energy
P 0 Box 2747
Fargo ND 58102-2747

Each address shown is the respective addressee's last reasonably ascertainable post office address.

S Sharon Helbling

Subscribed and sworn to before me
this **9th day of June, 2005**.

Sandra L. Scott

Notary Public

SEAL

SANDRA L SCOTT)
Notary Public)
State of North Dakota)
My Commission Expires June 11, 2010)
oi-.....-croP P+.....

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **9th day of June, 2005**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, each containing a photocopy of:

Notice of Opportunity for Hearing and Notice of Informal Hearing

The envelopes were addressed as follows:

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address

4 -k4A-e-K) Llib-LIC
U

Subscribed and sworn to before me
this **9th day of June, 2005**.

SANDRA L SCOTT
Notary Public
State of North Dakota
My Commission Expires June 11, 2010

Notary Public _____

SEAL

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ff. / P 0 q.: 0
DA". E: 6 - ?.- b.5'
g,41F. **MOTION**
June 8, 2005

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

I move the Commission adopt the Order and issue certificates of public convenience and necessity to Northern States Power Company d/b/a Xcel Energy and Otter Tail Corporation d/b/a Otter Tail Power Company for certain 230 kV electric transmission facilities constructed between Harvey, North Dakota and the Canadian border, Case Nos. PU-400-03-668 and PU-2805-03-677.

JRL/sdh

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

ORDER

June 8, 2005

On August 30, 2000, in Case No. PU-401-99-586, the Commission issued Certificate of Site Corridor Compatibility for a Transmission Facility Corridor (Corridor Certificate) No. 77 to Otter Tail Power Company, (Otter Tail) now a division of Otter Tail Corporation, designating a six-mile wide transmission corridor for approximately 40 miles of 230 kV electric transmission facilities to be constructed between Harvey and Rugby, North Dakota. The proposed facilities included a new 230 kV switching station to be constructed near Balta, North Dakota (Balta Switching Station). On October 25, 2000 the Commission issued Route Permit for the Construction of a Transmission Facility (Route Permit) No. 87 to Otter Tail authorizing construction of the proposed facilities, which were placed into service in late 2002. After the corridor certificate and route permit were issued, Otter Tail and Northern States Power Company d/b/a Xcel Energy (NSP) reached an agreement that NSP would own and operate the Balta Switching Station.

On December 29, 2000 in Case No. PU-2280-00-200, the Commission issued Corridor Certificate No. 79 and Route Permit No. 89 jointly to NSP and Otter Tail as project partners in the construction of approximately 56 miles of 230 kV electric transmission facilities constructed between Rugby, North Dakota and the Canadian border. The corridor certificate and route permit were transferred solely to NSP on May 8, 2002 in Case No. PU-400-02-77. The facilities were placed into service in late 2002.

On July 17, 2003 the Director of the Commission's Public Utility Division sent a letter to NSP and Otter Tail asking why neither company applied for a certificate of public convenience and necessity (PC&N) prior to construction. Both companies filed timely responses contending that no certificate was required. On August 26, 2003 the Commission's chief counsel submitted a memorandum disagreeing with the companies contentions. On August 29, 2003 the Commission sent a letter requesting both companies submit post-construction applications.

On November 26, 2003, in Case No. PU-400-03-668, NSP filed a post-construction application for a PC&N under N.D.C.C. chapter 49-03 to construct and operate (a) approximately 56 miles of 230 kV electric transmission facilities constructed

between Rugby, North Dakota and the Canadian border; and (b) the 230 kV Balta Junction Switching Station located in Pierce County, North Dakota.

On December 3, 2003, in Case No. PU-2805-03-677, Otter Tail Corporation d/b/a Otter Tail Power Company (Otter Tail) filed a post-construction application for a PC&N to construct and operate approximately 40 miles of 230 kV electric transmission line constructed between Harvey and Rugby, North Dakota.

On December 18, 2003, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing, which scheduled an informal hearing on both applications for January 28, 2004 and provided until January 20, 2004 for receiving written comments or hearing requests. No comments or hearing requests were received. The informal hearing was held as scheduled. The Commission's notice identified the following issues to be considered:

1. Whether Public Convenience and Necessity will be served by construction and operation of the transmission facilities.
2. Whether the applicants are fit, willing and able to provide service.

Following the informal hearing it was decided to wait with further processing of both PC&N applications until the corridor certificate and route permit authorities then held by Otter Tail for the Balta Junction Switching Station could be transferred to NSP. That transfer was completed on May 3, 2005, when the Commission issued Certificate of Corridor Compatibility for a Transmission Facility No. 86 and Route Permit No. 96 to NSP for the Balta Switching Station in Case No. PU-05-124.

NSP serves approximately 1.3 million retail electric customers in North Dakota, Minnesota and South Dakota while owning and operating approximately 4,100 miles of transmission line (34.5 kV and above) and 466 substations with a net book value of approximately \$804 million.

Otter Tail serves approximately 127,000 retail electric customers in eastern North Dakota, western Minnesota and northeastern South Dakota. Otter Tail owns and operates approximately 5,300 miles of transmission facilities 41.6 kV and above with a net book value of approximately \$113 million.

The facilities for which NSP and Otter Tail seek certification were constructed as part of a joint project with Manitoba Hydro (MH) known as the Harvey-Glensboro project, consisting of approximately 153 miles of 230 kV electric transmission line and associated facilities between Harvey, ND and Glensboro, Manitoba. NSP contracted with Otter Tail to construct and maintain the portion of the project owned by NSP.

The Harvey—Glensboro project was planned through the Mid-Continent Area Power Pool (MAPP) regional transmission planning processes and approved by the MAPP Design Review Subcommittee (DRS). The DRS conducted a technical review to evaluate anticipated benefits and ensure the project would not be detrimental to other electric utilities in the region:

The Harvey-Glensboro project provides increased load serving ability needed in north central North Dakota. The MAPP Red River Valley Subregional Planning Group (RRV SPG) had long identified problems with the 115 kV system between Devils Lake

and Minot. Problems arose when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot-Devils Lake 115 kV facility. A loss on the 230 kV facility caused unreliably low voltage on the Minot- Devils Lake facility, in some instances falling below acceptable MAPP reliability criteria. Outages on the 115 kV system between Devils Lake and Minot also caused low voltage situations. The Harvey-Glensboro project strengthens the transmission grid and resolves the problem of sagging voltages in north central North Dakota. The project also enhances transmission reliability in southwestern Manitoba.

The Harvey-Glensboro project provides an incremental 200 MW of northward and southward transfer capability between the United States and Manitoba. The additional transfer capability fulfills requirements of diversity exchange agreements between MH and NSP while increasing export capabilities for North Dakota Generation and providing MH with needed access to operating reserves associated with the MAPP Generation Reserve Sharing Pool.

The Commission finds public convenience and necessity is served by construction and operation of the Harvey-Glensboro project.

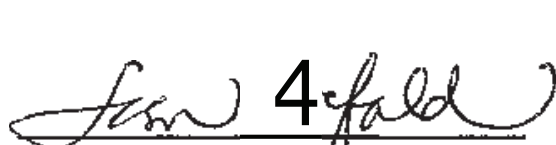
The Commission finds that NSP and Otter Tail are fit, willing and able to provide service.

Order


The Commission Orders:

1. The post-construction application of Northern States Power Company d/b/a Xcel Energy filed in Case No. PU-05-668 for certificates of public convenience and necessity to construct and operate electric transmission facilities in North Dakota is GRANTED.
2. The post-construction application of Otter Tail Corporation d/b/a Otter Tail Power Company filed in Case No. PU-05-677 for a certificate of public convenience and necessity to construct and operate electric transmission facilities in North Dakota is GRANTED.

PUBLIC SERVICE COMMISSION



Susan E. Feld
Commissioner



T y Clark
President

ABSENT

Kevin Cramer
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5242

This is to certify that public convenience and necessity require, and permission is granted for Northern States Power Company, to construct and operate a 230 kV electric transmission line originating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota, and proceeding in a northerly direction for approximately 56 miles, terminating in Township 164N, Range 69W, Section 26 in Rolette County near Rolla, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-400-03-668, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Northern States Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5243

This is to certify that public convenience and necessity require, and permission is granted for Northern States Power Company, to construct and operation the 230 kV Balta Junction Switching Station located in Section 6, Township 153N, Range 72W, Pierce County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-400-03-668, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Northern States Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION

 CI 
Executive Secretary

Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5244

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Corporation to construct and operate a 230 kV electric transmission line originating in Township 150N, Range 73W, Section 22 in Wells County near Harvey, North Dakota, and proceeding in a northerly direction for approximately 40 miles, terminating in Section 7, Township 156N, Range 72W, Pierce County, near Rugby, North Dakota.


This certificate is issued in accordance with the Order of this Commission dated June 8, 2005 in Case No. PU-2805-03-677, and is subject to the conditions and limitations noted in the Order.

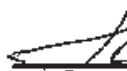
This certificate is conditioned upon Otter Tail Corporation securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 8, 2005.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary

 **11,rJo/U**
Commissioner

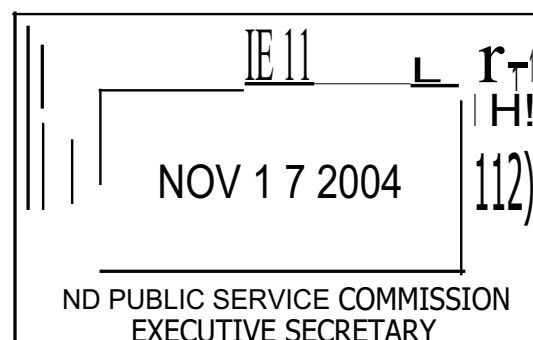
MEMORANDUM

To: Commissioners Clark, Cramer and Wefald

Fr: Jerry Lein

Da: November 16, 2004

Re: Update on NSP & OTP Harvey-Glenboro Transmission Line PC&N Applications, Case Nos PU-400-03-668 and PU-2805-03-677.



Following the informal hearing held January 28, 2004, it was discovered that Otter Tail held siting permits for the Balta substation while NSP was requesting a PC&N for the facility. NSP explained that the original plan was for the Balta substation to be owned by Otter Tail as part of the Harvey-Rugby 230 kV transmission line along which it is located. However, prior to construction, NSP agreed to invest in this facility (about \$6 million) to help "equalize" its overall investment in transmission facilities in North Dakota relative to its loads.

The Balta substation is a 230 kV switching station that interconnects the Otter Tail Harvey-Rugby and Great River Energy (GRE) McHenry-Ramsey 230 kV transmission lines. The Balta substation was constructed as part of the Harvey to Rugby project for which Otter Tail was issued a route permit and corridor certificate in Case No. PU-401-99-486. Otter Tail and NSP were jointly issued a corridor certificate and route permit for the remaining portion of the Harvey-Glenboro project from Rugby to the Canadian border in Case No. PU-2280-00-200. The Commission later reissued the corridor certificate and route permit for the Rugby-Border portion solely to NSP in Case No. PU-400-02-77, but the Balta substation remained under the corridor certificate and route permit issued to Otter Tail in Case No. PU-401-99-486.

Staff participated in a conference call where a March 2004 Letter of Intent between NSP and GRE was discussed. The Letter was for NSP to transfer ownership of the Balta substation and certain other facilities to GRE in exchange for certain facilities primarily associated with the Chisago substation in Minnesota. It was agreed during the call that the PC&N applications would be put on hold with hopes that NSP, OTP and GRE could soon submit a single filing package to (a) obtain approval of the NSP/GRE asset exchange under NDCC 49-04-05, (b) transfer the siting permits for Balta from OTP to NSP to GRE, and (c) terminate the Balta PC&N effective with the change in ownership to GRE.

However, NSP now reports that the date for completion of the definitive asset exchange agreement is uncertain. All the milestones in the Letter Of Intent have been delayed while both companies have been forced to dedicate resources to MISO and other FERC proceedings. Therefore, NSP is now working with Otter Tail and hopes to file an application within the coming month or sooner to transfer siting authority for the Balta substation to NSP so that PC&Ns can then be issued.

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11 PU-400-03-668

Pages 1

Update on NSP & OTP Harvey-Glenboro
Transmission Line
by Public Service Commission

11/17/2004

CC Comm Legal Illona Pat

11 PU-2805-03-677

Pages 1

Update on NSP & OTP Harvey-Glenboro
Transmission Line
by Public Service Commission

11/17/2004

CC Comm Lena! thorn Ipry

INFORMAL HEARING AGENDA

January 28, 2004

PU-2342-03-569 Qwest Corporation
Performance Indicator Definitions
Approval

PU-2342-03-632 Qwest Corporation
Performance Assurance Plan
Approval

PU-2961-03-634 Shell Pipeline Company, LP
Transfer Permit and PC&N
Application

PU-2805-03-677 Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity

PU-400-03-668 Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity

U-40 -03-2 Northern Sta Pow- ompany
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Shelly: These go on in the order as listed

9	PU-2342-03-569	Pages 0	7	PU-2961-03-634	Pages 0
	Informal Hearing held			Informal Hearing held	
	by Public Service Commission			by Public Service Commission	
	01/28/2004	CC Comm Legal PUD (3)		01/28/2004	CC Comm Legal Illona Jerry
8	PU_2342_03_632	Pages 0	10	PU_2806_03_677	Pages 0
	Informal Hearing held			Informal Hearing held	
	by Public Service Commission			by Public Service Commission	
	01/28/2004	CC Comm Legal PUD (3)		01/28/2004	CC Comm Legal Illona Jerry
			10	PU_400_03_668	Pages 0
				Informal Hearing held	
				by Public Service Commission	
				01/28/2004	CC Comm Legal Illona Pat

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January 19, 2004



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VIA FEDERAL EXPRESS

ND PUBLIC SERVICE COMMISSION
PUBLIC UTILITIES DIVISION

Mr. Jon H Mielke
Executive Secretary
North Dakota Public Service Commission
State Capitol — 600 E. Boulevard
Bismarck, ND 58505-0480

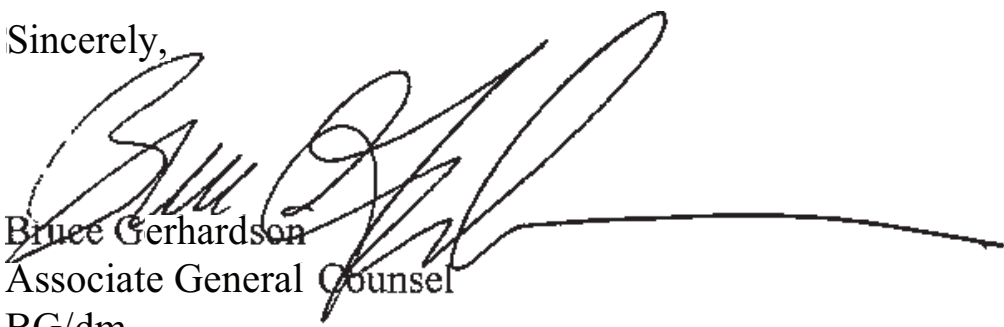
Re: In the Matter of the Application of Otter Tail Corporation, d/b/a Otter Tail Power Company, a Minnesota Corporation, for a Certificate of Public Convenience and Necessity for Certain Transmission Facilities in the State of North Dakota.

Dear Mr. Mielke:

Enclosed for filing in the above-referenced matter is the original and ten copies of the Affidavit of Tim Rogelstad. The Affidavit is intended to serve as the factual basis upon which the Commission rules on Otter Tail's application for a Certificate of Public Convenience and Necessity. Please note that the Affidavit is being filed unsigned, as Mr. Rogelstad is out of the office until January 26. I will bring signed copies to the informal hearing on this matter on January 28, 2004.

Otter Tail's Articles of Incorporation, as well as its Annual Report, are on file with the Commission and are incorporated herein by reference, and the Commission is requested to take official notice of the same.

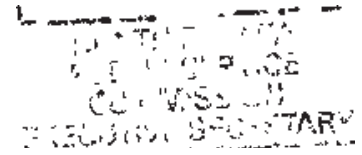
Sincerely,


Bruce Gerhardson
Associate General Counsel
BG/dm

Enclosure

**STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION**

JAN 2020



In the Matter of the Application of
Otter Tail Corporation, d/b/a
Otter Tail Power Company, a Minnesota
Corporation, for a Certificate of
Public Convenience and Necessity
For Certain Transmission Facilities in
The State of North Dakota

Case No. PU-2805-03-677

**AFFIDAVIT OF
TIMOTHY J. ROGELSTAD**

First being duly sworn on oath, states:

1. I am Tim Rogelstad, Manager, Delivery Planning, for Otter Tail Power Company. I am providing this Affidavit in support of the above-captioned application for a Certificate of Public Convenience and Necessity.
2. Otter Tail Corporation is an investor-owned corporation authorized to conduct business in North Dakota, and a public utility under Title 49 of the North Dakota Century Code ("NDCC"). Otter Tail Corporation went by the corporate name of Otter Tail Power Company until it changed its name to Otter Tail Corporation in 2001. Since that time it has continued to use the name Otter Tail Power Company as a registered trade name. Otter Tail Corporation shall hereinafter be referred to as Otter Tail.
3. I have worked for Otter Tail for fourteen years and was the co-project manager of the Harvey/Rugby transmission line project. I am a Professional Engineer, registered in North Dakota, Minnesota, and South Dakota. I have had significant involvement in MAPP, including the Model Building Working Group, the Transmission Reliability Working Group, the Design Review Subcommittee, and the Planning Subcommittee.
4. As part of its business, Otter Tail owns and operates electrical generating, transmission, and distribution facilities used in providing electric utility service to approximately 127,000 retail electric customers in eastern North Dakota, northwestern Minnesota, and northeastern South Dakota. Otter Tail has provided utility service to this region for over 90 years. It currently __ -

maintains 5200 miles of transmission (over 100 kV) and subtransmission (under 100 kV) lines in its service territory. Financial records demonstrating Otter Tail's financial strength are on file with the North Dakota Public Service Commission ("Commission"). Otter Tail requests the Commission to take notice of those financial records in this case.

5. In its application, Otter Tail is seeking a Certificate of Public Convenience and Necessity to construct, own, operate, and maintain approximately 40 miles of 230 kilovolt (kV) transmission line extending from a point near Harvey, North Dakota, to a point near Rugby, North Dakota (the "Line").
6. In Case No. PU-401-97-491, Otter Tail applied for and received a Certificate of Corridor Compatibility and Route Permit for the Line. We request that the record in that case be incorporated herein by reference. That record supports granting the Certificate of Public Convenience and Necessity requested in this case.
7. The southern terminal of the Line is an addition to an existing Harvey 230 kV substation near Harvey, North Dakota. Prior to the construction of the Line, this substation was being served radially from a substation adjacent to the Coal Creek Generating Station near Underwood, North Dakota.
8. The northern terminal of the Line is an existing substation near Rugby, North Dakota. This substation serves as a transmission source for supporting lower voltage lines radiating from that point to other parts of Otter Tail's north central North Dakota service territory. The Line also connects to a new switching station near Balta, North Dakota, which is owned, operated, and maintained by Xcel Energy (and for which Xcel Energy is pursuing a Certificate of Public Convenience and Necessity in Case No. PU-400-03-668). At this switching station, the Line crosses an existing 230 kV transmission line that runs east/west from the McHenry 230 kV substation near Velva, North Dakota, to the Ramsey 230 kV substation near Devils Lake, North Dakota.
9. Based upon the projected demand for electricity prior to construction of the Line, including the then most recent transmission studies performed by the Red River Valley Subregional Planning Group ("RRVSPG") of the Mid-Continent Area Power Pool ("MAPP"), the Line was the first step in solving multiple transmission problems endemic to north central North Dakota's transmission system. The Line acted immediately to shore up sagging voltages on the Otter Tail system and provided immediate benefits to Otter Tail's and other utilities' customers in the project area. In addition, by serving as an excellent platform from which to construct additional facilities going north from Rugby to ultimately connect with the facilities emanating from Glenboro, Manitoba, the Line served to help address additional transmission

problems long identified to the regional planning process (see Xcel's Application in PU-400-03-668).

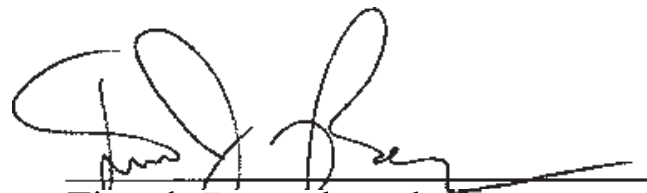
10. At the time the Line was planned and constructed, such facilities were planned under the MAPP regional transmission planning processes. The purpose of MAPP's regional transmission and reliability functions at that time was to realize, safeguard, maintain, and further the reliability of the interconnected transmission operations among MAPP members and the region generally, and to provide highly reliable, safe electric service at reasonable cost. The planning process has been an ongoing, dynamic, and collaborate process among all of the MAPP utilities and has served our region well. The Commission is well aware that since the Line was constructed, the Midwest Independent Transmission System Operator ("MISO") has taken over some of these functions.
11. The MAPP process started with each MAPP member that owns transmission facilities. These members were required by MAPP to prepare and maintain a plan for individual transmission facilities. The plans are comprehensive in nature and are required to conform to MAPP's reliability and transmission assessment standards. The plans assess, at a minimum, the following: The member's current and expected transmission requirements and partial requirements to serve retail and wholesale customers, its present and future network confirmed transmission service (i.e. wheeling service) obligations, coordination of the plan with neighboring utilities' plans, and any other contractual or regulatory obligations of the member that in anyway affects its transmission facilities. In addition to the individual utility's plans, MAPP has also authorized formation of subregional planning groups, such as the RRVSPC. The purpose of these groups is to develop coordinated subregional transmission plans aimed at an expanded, but specific, geographic area.
12. Using as a basis the individual and subregional plans, MAPP, through its regional transmission committee, develops a regional transmission plan for all transmission facilities (115 kV and higher) in the MAPP region. The plans are based on a ten-year rolling forecast. The purpose of the regional plan is to enable the transmission needs of MAPP members and the region generally to be mapped on a consistent, reliable, environmentally responsible, economic and nonduplicative basis. The regional plan uses a ranking system in which projects are compared against alternative projects on the basis of costs, reliability concerns and benefits, contractual and other obligations of the affected utilities, permitting concerns, and other factors. Once identified by MAPP as a necessary and prudent project, MAPP relies on the most affected utilities and their best efforts in supporting and implementing the project. MAPP overwhelmingly relies on the voluntary participation of utility members to implement needed projects. MAPP possesses the authority to designate a utility to construct and own facilities identified in a regional plan, or to enter into contracts to fulfill such obligations.

13. The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this system are addressed for the most part by the North Dakota utilities that comprise the RRVSPG. Otter Tail, in conjunction with other RRVSPG members, has long identified problems with the 115 kV system between Devils Lake and Minot. Problems arise when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot/Devils Lake 115 kV facility. A loss on the 230 kV facility causes unreliably low voltage on the Minot/Devils Lake facility, in some instances falling below acceptable MAPP criteria. Outages on the 115 kV system between Devils Lake and Minot also are causing low voltage situations. In addition to sagging voltages, the RRVSPG and the regional plan have studied and identified other necessary areas in need of fix, including increasing the transfer capability (both north and south) between the United States and Manitoba, and increasing the capability to transfer North Dakota generation out of state. While certain improvements made by the Western Area Power Administration in 1999 have helped alleviate some of the transmission needs in this area, the additions provide only a short-term fix.
14. Over the course of the planning process, the RRVSPG and the regional plan considered several alternatives to address these concerns, including a Harvey/Devils Lake/St. Leon 230 kV facility and a Garrison/Mallard/Dunning 230 kV facility. The RRVSPG and MAPP eventually agreed that the project that met the needs of this area in the most efficient and prudent manner was the construction of a 230 kV transmission facility from Harvey to Glenboro, Manitoba. MAPP found that a Harvey to Glenboro project would provide the following benefits: 1) provide an incremental 200 megawatts of northward transfer capability between the United States and Manitoba; 2) provide an incremental 200 megawatts of southward transfer capability between Manitoba and the United States; 3) provide significant load-serving reinforcements in central North Dakota; 4) provide for transmission deferral in Manitoba; 5) provide geographic diversity in line routing ties between the United States and Manitoba; 6) enhance North Dakota generation outlet capabilities; 7) can be achieved at lowest normalized net cost.
15. Prior to construction of the Line, Otter Tail utilized contingency analysis to see whether the system as it presently exists could continue to operate in the event of certain outages. The analysis includes a review of the present and future load demands on the system. The analysis demonstrates that the system cannot withstand outages on certain parts of the system. For instance, an outage on the existing 230 kV/115 kV Ramsey transformer (located near Devils Lake) would potentially cause the entire Otter Tail system in the area to experience extremely low voltage and would unlikely be able to serve the load in the area. Similar problems occur with outages on other parts of the system. These problems become even more pronounced in the future with

increased load on the system. The Line alleviates these problems by significantly raising voltages throughout the system. With the addition of the Harvey to Rugby facility, Otter Tail's contingency analysis showed that the outages modeled no longer created violations of voltage criteria. The facility also greatly supports the lower voltage subtransmission system (e.g. 41.6 kV and 69 kV system) in the region. Otter Tail's analysis, including the analysis of the RRVSPG, shows that the Harvey/Rugby 230 kV line provides a least-cost solution to critical contingencies threatening the entire regional system, and also for robust growth opportunities.

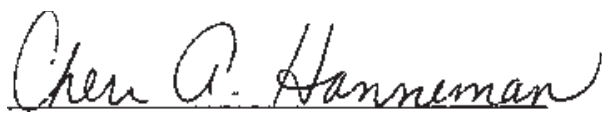
16. The facilities are entirely consistent with both Otter Tail's and MAPP's ten-year transmission plans, and now the MISO long-range transmission plan.
17. The following sources, not meant to be exhaustive, are also identified and help support the need for the project: North Dakota-Manitoba Intertie Study — November 1993; OTP Transmission Planning Study North Dakota to Canadian Intertie Study — 1993; CPEC-OTP Long-Range Transmission Study — June 1995; 1998 MAPP Ten-Year Plan; 1999 MAPP Revised Ten-Year Plan; 1999 MAPP RRVSPG Report on H/G Project; 2000 OTP Report on North Central North Dakota.
18. Based upon the forgoing, it is my opinion that Public Convenience and Necessity will be served by the construction and operation of the Line and Otter Tail is fit, willing, and able to provide service.

FURTHER AFFIANT SAYETH NOT.



Timoth Rogelstad
Manager, Delivery Planning
Otter Tail Power Company, division
of Otter Tail Corporation

Subscribed and sworn to before me, this 2nd day of January, 2004.


Notary Public

CHERI A. WONSAN
NOTARY PUBLIC MINNESOTA
Commission Expires 11/30/05

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105 00	SPR2	0 51	53 55	0 00	North States - Otter T	12/23/03

Gross Advertising	424 80	Total Misc	0 00	Amount Paid	0 00
Agency Discount		Tax	0 00	Adjustments	0 00
Other Discount	0 00	Total Billed	424 80	Payment Date	
Service Charge	0 00	Unbilled	0 00	Balance Due	424 80

7 **PU-400-03-668** Pages 1

Affidavit of Publication

by North Dakota Advertising Service, Inc

01/05/2004

CC Comm Legal Illona Pat

7 **PU-2805-03-677** Pages 1

Affidavit of Publication


by North Dakota Advertising Service, Inc


01/05/2004

CC Comm Legal !Ilona Jerry

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Jargo	12-29
Grand Forks	12-23
Harvey	12-27
Jamestown	12-23
Minot	12-23
Ralla	12-29
Rugby	12-27
Valley City	12-23
Wahpeton	12-23

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that*

she is over the age of 18 years and not a party to this action and, on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, **five** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of.

Notice of Opportunity for Hearing and Notice of Informal Hearing

The envelopes were addressed as follows:

James P Johnson
Northern States Power Company
800 Nicollet Mall Ste 2900
Minneapolis MN 55402
Cert. No. 7003 1680 0004 9646 3580

Bruce Gerhardson
Otter Tail Corporation
215 S Cascade St
Fergus Falls MN 56538-0496
Cert. No. 7003 1680 0004 9646 3597

Sharon Helbling further deposes and says that on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Dan Kuntz
P O Box 1695
Bismarck ND 58502-1695

Dave Sederquist
Xcel Energy
P O Box 2747
Fargo ND 58102-2747

0;i-2805-03-677

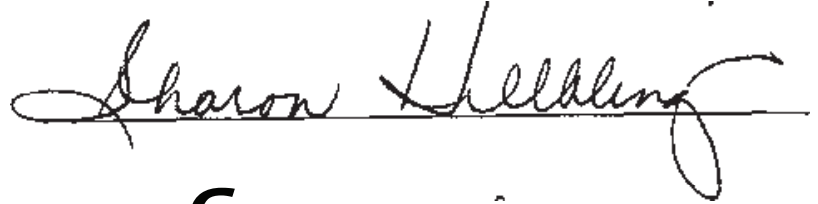
P?km-?s 12

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Coro.misslor

TAN -t..q31;;16.1a Jerry

Each address shown is the respective addressee's last reasonably ascertainable post office address



Subscribed and sworn to before me
this **19th day of December, 2003.**

f 1. v1 ii--e-- 1,
Notary Public _____

SEAL

<p>SANDRA L. SCOTT Notary Public, STATE OF NORTH DAKOTA My Commission Expires JUNE 11, <u>2004</u></p>

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that.

she is over the age of 18 years and not a party to this action and, on the **19th day of December, 2003**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, each containing a photocopy of:

Notice of Opportunity for Hearing and Notice of Informal Hearing

The envelopes were addressed as follows:

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **19th day of December, 2003**.



Aec & a^o *ft*

Notary Publi

SEAL

SANDRA L. SCOTT
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 11, 2004

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O'Fallon MO 63366

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Williston ND 58801-1505

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State Capitol
Bismarck ND 58505

Historical Society
North Dakota Heritage Center
Bismarck ND 58505

Indian Affairs Commission
State Capitol
Bismarck ND 58505

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3500 E Rosser Ave
Bismarck ND 58501

KCJB AM-FM & KXMC TV
PO Box 1686
Minot ND 58702-1686

KDLR AM-FM
Box 190
Devils Lake ND 58301-0190

Rick Jensen
KHND AM Radio
PO Box 6
Harvey ND 58341-0006

KKXL-AM/FM
PO Box 13598
Grand Forks ND 58208-3598

KMOT TV
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Minot ND 58702-1120

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INDEPTH DATA INC
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White Plains NY 10601-4425

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KBMW-AM
PO Box 1115
Wahpeton ND 58074-1115

KDAK AM
Box 50
Carrington ND 58421-0050

KFGO
Box 2966
Fargo ND 58102-2966

KHRT AM
PO Box 1210
Minot ND 58702-1210

KMAV AM/FM RADIO
PO Box 216
Mayville ND 58257-0216

KNDK-AM
HCR 5 Box 9
Langdon ND 58249

Myer Shark
Knollwood Place Apts #221
3630 Phillips Pkwy
St Louis Park MN 55426

KNOX-AM & KRRK-FM
PO Box 13638
Grand Forks ND 58208-3638

KOVC-AM
PO Box 994
Valley City ND 58072-0994

KQDJ-AM
PO Box 1170
Jamestown ND 58402-1170

KQWB-AM/FM Radio
PO Box 9919
Fargo ND 58106-9919

KSJB AM and KSJZ FM Radio
PO Box 5180
Jamestown ND 58402-5180

KTHI-TV
PO Box 1878
Fargo ND 58107-1878

KXJB-TV 4
4302 13th Ave S
Fargo ND 58103-3313

KXMB TV
Box 1617
Bismarck ND 58502-1617

KXMC TV
Box 1686
Minot ND 58701-1686

KXPO AM & FM Radio
856 W 12 St
Grafton ND 58237

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Bismarck ND 58502-1498

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Bismarck ND 58505

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Bismarck ND 58502-2793

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Washington DC 20005

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State Capitol Press Room
Bismarck ND 58505

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John Castleberry
Williston Basin Interstate Ppine Co
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Bismarck ND 58506-5601

District Chief
U S Geological Survey
821 E Interstate Ave
Bismarck ND 58501

District Engineer
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106 S 15th St
Omaha NE 68102-1618

WDAY AM-FM & TV
PO Box 2466
Fargo ND 58108-2466

Raymond Kub
Western Area Power Administration
PO Box 1173
Bismarck ND 58502-1173

Helbling, Sharon D.

From: Helbling, Sharon D
Sent: Thursday, December 18, 2003 3:35 PM
To: ndna (E-mail)
Subject: Attached Notice of Opportunity for Hearing

**Colleen Park
North Dakota Newspaper Association**

Colleen:

Please have the attached Notice of Opportunity for Hearing published as a Legal Publication in the official county newspapers of Wells, Pierce and Rollette counties, and in the Minot Daily News, Jamestown Sun, Grand Forks Herald, Fargo Forum, Valley City Times-Record, and the Wahpeton Daily News.

Please run it as a News Item Only article as well, and send the bill to the Public Service Commission, along with a tear sheet for billing purposes.

If you have any questions, please call me at 328-4076.

Thank you.

**Sharon Helbling
Public Utilities Division**

5 PU-2805-03-677 Pages 1

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312003

GL Gomm Legal Ilion_,'err;

12/18/2003

MOTION

December 18, 2003

APPROVED

DATE: 12-18-2003
KNP

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

I move the Commission issue a Notice of Opportunity for Hearing and Notice of Informal Hearing in the applications of Northern States Power Company and Otter Tail Corporation requesting certificates of public convenience and necessity for 230 kV electric transmission facilities between Harvey, North Dakota and the Canadian Border, Case Nos. PU-400-03-668 and PU-2805-03-677.

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**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Rugby to Border Transmission Line
Public Convenience and Necessity**

Case No. PU-400-03-668

**Otter Tail Corporation
Harvey to Rugby Transmission Line
Public Convenience and Necessity**

Case No. PU-2805-03-677

**NOTICE OF OPPORTUNITY FOR HEARING and
NOTICE OF INFORMAL HEARING**

December 18, 2003

On November 26, 2003, in Case No. PU-400-03-668, Northern States Power Company d/b/a Xcel Energy (NSP) filed a post-construction application for a certificate of public convenience and necessity (PC&N) under N D C C. chapter 49-03 to construct and operate (a) approximately 56 miles of 230 kV electric transmission facilities constructed between Rugby, North Dakota and the Canadian border; and (b) the 230 kV Balta Junction Switching Station located in Pierce County, North Dakota. These facilities were placed into service in late 2002.

On December 3, 2003, in Case No. PU-2805-03-677, Otter Tail Corporation d/b/a Otter Tail Power Company filed a post-construction application for a PC&N to construct and operate approximately 40 miles of 230 kV electric transmission line constructed between Harvey and Rugby, North Dakota and placed into service in late 2002.

The issues to be considered in these matters are:

1. Whether Public Convenience and Necessity will be served by construction and operation of the transmission facilities.
2. Whether the applicants are fit, willing and able to provide service.

Those interested are invited to comment on these applications in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding(s) and the reasons for requesting a hearing. Comments and requests for hearings must be received by **January 20, 2004**. If deemed appropriate, the Commission can determine these matters without a hearing.

Informal hearings on these matters will be held on **January 28, 2004 at 1:30 p.m.** in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. At the informal hearings the applicants will be given an opportunity to present overviews of their applications and interested persons will be given an opportunity to be heard.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400, or Relay North Dakota 1-800-366-6888

TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Jon Mielke, Executive Secretary.

PUBLIC SERVICE COMMISSION

 _____ Susan E. W3 aid Commiss•ner	 _____ T ny Clark President	 _____ Kevin Cramer Commissioner
--	--	--



Public Service Commission
State of North Dakota

COMMISSIONERS

Tony Clark, President
Susan E Wefald
Kevin Cramer

Executive Secretary
Jon H Mielke

600 E Boulevard Ave Dept 408
Bismarck, North Dakota 58505-0480
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Phone 701-328-2400

December 18, 2003

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Assistant General Counsel
Xcel Energy
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Minneapolis, MN 55402

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
P.O. Box 496
Fergus Falls, MN 56538-0496

Re: Case No. PU-400-03-668

Re: Case No. PU-2805-03-677

Dear Mr. Johnson and Mr. Gerhardson:

Enclosed is a Notice of Opportunity for Hearing and Notice of Informal Hearing issued by the Commission today. Please note that the issues to be considered, as set forth in the notices, are different from those addressed in the applications. Absent a formal hearing with sworn testimony and exhibits to serve as evidence, it will be necessary to file affidavits addressing the noticed issues. The Commission would appreciate receiving these affidavits as soon as convenient, but not later than January 20th.

Thank you for your attention to these matters. Please contact our staff if you have any questions.

Sincerely,

Susan E. Wefald
Commissioner

Tony Clark
President

Kevin Cramer
Commissioner

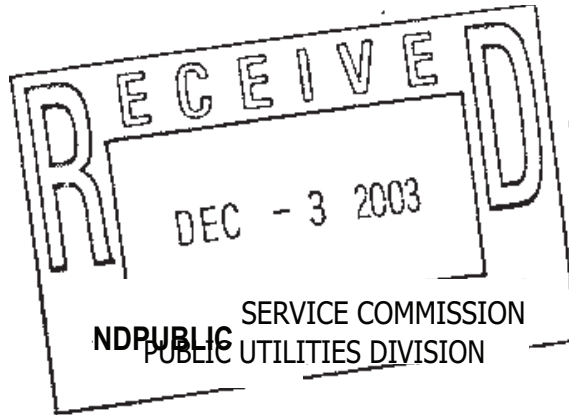
Encl

A OTTERTAIL
NRCORPORATION

Fargo office	Fergus Falls office
4334 18th Avenue S W	215 S Cascade Street
Suite 200, P O Box 9156	P O Box 496
Fargo, ND	Fergus Falls, MN
58106-9156	56538-0496
Fax 701-232-4108	Fax 218-998-3165

1-866-410-8780 • www.oftener! corn

December 2, 2003



Reply to Fergus Falls office
Direct: 218-998-7108

Mr. Jon Mielke
North Dakota Public Service Commission
State Capitol — 12th Floor
600 East Boulevard
Bismarck, ND 58505

Re: Otter Tail Corporation d/b/a Otter Tail Power Company
Case No. PU-401-99-586
Application for Certificate of Public Convenience and Necessity

Dear Mr. Mielke:

By letter dated August 29, 2003, the North Dakota Public Service Commission ("Commission") asked Otter Tail Corporation d/b/a Otter Tail Power Company ("Otter Tail") to submit a post-construction application for a Certificate of Public Convenience and Necessity ("CPCN") for the Harvey to Rugby, North Dakota 230 kV electric transmission line, previously approved pursuant to N.D.C.C. Chapter 49-22 in Case No PU-401-99-586. Otter Tail hereby submits an original and seven copies of the requested CPCN Application

Otter Tail appreciates the Commission's prompt action on this matter. Please direct any questions regarding this Application to the undersigned at (218) 998-7108

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Gerhardson".

Bruce Gerhardson
Associate General Counsel

BG/dm

Enclosures

PU-2805-03 677

Pages 60

Harvey to Rugby Transmission Line
PC&N application
by Otter Tail Corporation

1210312003

Comm Legal Mona Jerry

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Application of Otter Tail Corporation
d/b/a Otter Tail Power Company for a
Certificate of Public Convenience and
Necessity for Certain 230 kV Transmission
Facilities in the State of North Dakota**

Case No. PU-

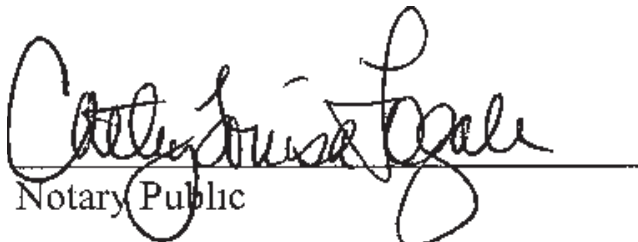
AFFIDAVIT OF SERVICE

I, Diane Merz, hereby certify that I have this day served the attached Application for Certificate of Public Convenience and Necessity on the parties listed below by placing in the U. S mail at Fergus Falls, Minnesota

Dated this 2nd day of December, 2003



Subscribed and sworn to before
me this 2nd day of December, 2003.



Notary Public



CATHY LOUISA FOGALE
NOTARY PUBLIC—MINNESOTA
My Commission Wes JAN. 31, 2005

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of
Otter Tail Corporation, d/b/a
Otter Tail Power Company, a Minnesota
Corporation, for a Certificate of
Public Convenience and Necessity
For Certain 230 kV Electric
Transmission Facilities in the
State of North Dakota

Case No. PU-_____

APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY

December 2, 2003

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AND NECESSITY

Pursuant to N.D.C.C. Chapter 49-03, Otter Tail Corporation, d/b/a Otter Tail Power Company ("Otter Tail" or "the Company" or "Applicant"), a Minnesota corporation, respectfully submits this application ("Application") for a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate approximately 40 miles of 230 kilovolt ("kV") electric transmission facilities constructed between Harvey and Rugby, North Dakota ("230 kV Facilities"), which were placed into service in late 2002 after Commission approval under N D.C.C. Chapter 49-22 by Orders dated August 30, 2000, October 25, 2000, and February 21, 2002 in Case No. PU-401-99-586.

The 230 kV Facilities were not required to extend service to new retail customers of the Company in North Dakota. The 230 kV Facilities were instead constructed, *inter alga*, for the purpose of addressing transmission problems long identified through the regional planning process and safeguarding and enhancing transmission system reliability for North Dakota customers and the entire Red River Valley The purpose and location of the 230 kV

Facilities were described in detail in the administrative record before the Commission in Case No. PU-401-99-586 and is also described in the instant Application.'

This Application is being submitted in response to the Commission letter ("the Letter") dated August 29, 2003, requesting Otter Tail to submit a CPCN application for the 230 kV Facilities.² In this Application, Otter Tail thus requests issuance of a CPCN on a

During the Case No PU-401-99-586 proceedings, no party suggested a CPCN was required for the 230 kV Facilities. By letter dated July 17, 2003, the Commission staff asked Otter Tail and Xcel Energy for a written explanation regarding why the companies did not each apply for CPCN prior to construction of the 230 kV Facilities and a related 230 kV transmission project constructed and owned by Xcel Energy from Rugby, North Dakota to the Canadian border. Otter Tail and Xcel Energy submitted separate memoranda to the Commission on July 31, 2003, arguing no CPCN was required for either 230 kV project. On August 26, 2003, counsel for the Commission submitted a legal memorandum arguing that CPCNs were required. On August 29, 2003, the Commission issued a Letter indicating the companies should submit CPCN applications.

As discussed in the Company's July 31, 2003 memorandum, the applicable statutory provisions and court and Commission precedent do not specifically address the legal question of whether a public utility is required to obtain both a CPCN under N D C C Chapter 49-03-01 and a Corridor Certificate and/or Route Permit under N D C C Chapter 49-22 for construction of transmission facilities which do not result in an extension of the utility's retail electric services. In the *Capital Electric* case, the North Dakota Supreme Court expressed the following limits on the Commission's jurisdiction under the CPCN statute

[I]n 1993, the PSC changed its construction of the [Territorial Integrity] Act so that a customer request for service by a public utility was not longer deemed necessary to invoke the Commission's jurisdiction to determine public convenience and necessity. We decline to defer to the PSC's recent reinterpretation of its authority, because that construction contravenes the statutory framework and purpose of the Act. We hold that a new customer's request for service by an electric public utility is necessary to invoke the PSC's jurisdiction to consider the public utility's application for a certificate of public convenience and necessity to extend service to an area outside the corporate limits of a municipality.

Capital Electric Cooperative, Inc v Public Service Commission, 534 N W 2d 587, 592 (N D 1995) ("*Capital Electric*"), citing *W W Walwork, Inc v Duchscherer*, 501 N W 2d 751 (N D 1993)

In the event the Commission unduly conditions the CPCN or any party contests issuance of the requested CPCN and/or appeals a Commission order granting Otter Tail a CPCN for the 230 kV Facilities, Otter Tail respectfully but expressly reserves the right to challenge the Commission's authority under N D.C.0 Chapter 49-03-01 to require a CPCN application for the 230 kV Facilities for the reasons set forth in the July 31, 2003 memoranda and *Capital Electric*.

² The Company understands that Xcel Energy ("Xcel") is submitting a separate CPCN application regarding the related 230 kV facilities constructed by Xcel between Rugby, North Dakota and the Canadian border, approved in Case No PU-2280-00-200

post-construction basis for 230 kV Facilities, which are already in service In support thereof, Otter Tail states as follows:

A. COMMUNICATIONS AND SERVICE

Otter Tail respectfully requests that the following persons be placed on the Commission's official service list for all official communications in this case:

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
215 South Cascade Street
Fergus Falls, MN 56537
Ph. 218-998-7108

Tim Rogelstad
Manager, Delivery Planning
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
Ph. 218-739-8583

Bernadeen Brutlag
Manager, Regulatory Services
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537

B. HISTORICAL BACKGROUND AND STATUTORY PROVISIONS

1 The Route Permit/Corridor Certificate Proceedings

On March 6, 2000, Otter Tail filed an application ("Initial Application") in Case No. PU-401-99-586 for authorization under N D.0 C Chap 49-22 to construct and operate approximately 40 miles of 230 kV three-phase alternating current ("AC") transmission facilities from Harvey to Rugby, North Dakota (the "230 kV Facilities").

The Initial Application indicated the 230 kV Facilities were necessary to "solve multiple transmission problems endemic to the north central North Dakota transmission system " Initial Application at p 11. Specifically, the Application stated:

The proposed facility will act to immediately shore up sagging voltages on the Otter Tail system and provide immediate benefits to Otter Tail's and other utilities' customers in the project area In addition, by serving as an excellent platform from which to construct additional facilities going north from Rugby to ultimately connect with facilities emanating south from Glenboro,

Manitoba, the proposed facility serves to help address additional transmission problems long identified through the regional planning process

Initial Application at p. 11. Attachment 1 to this pleading provides a portion of the Initial Application describing the multiple purposes for constructing the 230 kV Facilities. This section indicates that while the 230 kV Facilities would help maintain or improve the reliability of service to electric customers in North Dakota, the 230 kV Facilities were not being constructed to expand the service areas of Otter Tail. The Initial Application included a map showing the proposed location of the proposed 230 kV Facilities. Attachment 2 is a copy of a map included in the Initial Application showing the corridor location (see the North Dakota state map in lower right hand corner).

On August 30, 2000, the Commission issued its Order designating a transmission facility comdor. The Initial Order granted Certificate No. 77 pursuant to N D.C.C. Chap. 49-22 On October 25, 2000, the Commission issued its Supplemental Order designating a transmission facility route. The Supplemental Order granted Route Permit No 87 to Otter Tail pursuant to N.D C C. Chap. 49-2. Specifically, paragraph 2 of the Initial Order states as follows

2. Certificate of Site Compatibility for a Transmission Facility Corridor No. 77 is issued to Otter Tail Power Company under N.D.C.C. Section 49-22-08(5), designating a six-mile wide corridor as shown on the attached map.

Also, paragraph 2 of the Supplemental Order states as follows:

2. Route Permit for the Construction of a Transmission Facility No. 87 is issued to OTP granting authority to construct the transmission line route in the location shown on the attached map
2. The Statutory Provisions

The statutory provisions governing the requirement for a public utility to file for and obtain a CPCN are as follows

49-03-01. Certificate of public convenience and necessity — Secured by electric public utility No electric public utility henceforth shall begin construction or operation of a public utility plant or system, or of an extension of a plant or system,... without first obtaining from the commission a certificate that public convenience and necessity require or will require such construction and operation ..

49-03-01 1. **Limitation on electric transmission and distribution lines, extensions and service by electric public utilities.** No electric public utility henceforth shall extend its electric transmission or distribution lines beyond or outside of the corporate limits of any municipality, nor shall it serve any customer where the place to be served is not located within the corporate limits of a municipality, unless and until, after application, such electric public utility has obtained an order from the commission authorizing such extension and service and a certificate that public convenience and necessity require that permission be given to extend such lines and to serve such customer.

Here, the 230 kV Facilities were not constructed to provide, and did not result in, any extension or expansion of the retail electric service area of Otter Tail in North Dakota.

Rather, the 230 kV Facilities were constructed for the reasons described in Section B of this Application

C. APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Otter Tail respectfully submits this Application for a Certificate of Convenience and Necessity for the 230 kV Facilities and respectfully requests that the Commission promptly issue a CPCN on a post-construction basis after a notice of opportunity for hearing is issued in this proceeding, if no party requests a hearing. In support thereof, the Company states as follows

1. That Applicant's full name and post office address are:

Otter Tail Corporation d/b/a Otter Tail Power Company
Attn: Bruce Gerhardson
215 South Cascade Street
Fergus Falls, MN 56537

2. Applicant is a Minnesota corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and is doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the Commission under N.D.C.C. Title 49, as amended

3 Applicant's Certificate of Incorporation and amendments thereto have been previously filed with the Commission. Such Certificate and Amendments are hereby incorporated by reference, as though fully set forth herein

4 This Application is being made pursuant to the provisions of Chapter 49-03-01 of the North Dakota Century Code, and the rules and regulations promulgated by the Commission thereunder.

Pursuant to N.D.C.C. 49-03-01, the 230 kV Facilities which are the subject of this Application consist of 42 miles of 230 kV transmission lines and other facilities necessary to interconnect Otter Tail's existing transmission system with the new 230 kV facilities. The 230 kV Facilities were placed in service November 20, 2002 at an installed cost of \$75 million. The 230 kV Facilities will adequately render electric transmission service and allow the Company and other utilities in North Dakota to continue to provide reliable retail electric service as defined in N.D.C.C. Chap. 49 and associated Commission Rules and Company tariffs.

5. Applicant seeks post-construction authorization to construct and operate the 230 kV Facilities for the purpose of reliably providing retail electric utility service to its customers located in North Dakota. As noted above, **Attachment 1** is a copy of applicable portions of the Initial Application in Case No. PU-401-99-586, which describe the purpose of the 230 kV Facilities in detail; and **Attachment 2** is a map showing the location of the

230 kV Facilities. The Company did not extend retail service to any new electric customers connected to the 230 kV Facilities

6. Pursuant to N.D.C.C. 49-22, Applicant made application to and received a Certificate No. 77 and Route Permit No. 87, authorizing the construction and operation of the 230 kV Facilities in accordance with Applicant's rules and tariffs on file with the Commission. Applicant also requested and obtained various other local permits to construct the 230 kV Facilities, as described in the Initial Application.

7. Pursuant to N.D.C. 49-03-02, Applicant is an experienced electric generation, transmission and distribution utility with the expertise and resources to construct the 230 kV Facilities, and operate and maintain the 230 kV Facilities once in service. Otter Tail presently serves more than 127,000 retail electric customers in eastern North Dakota, northwestern Minnesota, and northeastern South Dakota. Otter Tail owns approximately 5300 miles of transmission facilities 41.6 kV and above, with a net book value of \$113

8. Pursuant to N.D.C. 49-03-03.1, Section 3, the 230 kV Facilities do not result in any change to the Applicant's retail electric service area. Otter Tail's retail electric customers will continue to be served by Applicant under applicable tariffs, rules, and regulations, on file with the Commission. Construction of the 230 kV Facilities also had no impact on Otter Tail's current retail electric rates

9. The 230 kV Facilities were constructed and will be operated at 230 kV. This is a standard Company transmission system voltage, and the design, operation and maintenance will be consistent with the National Electric Safety Code (*see* N.D.C. 43-09-21) and applicable FERC, North American Electric Reliability Council ("NERC"),

Midwestern Independent Transmission System Operator (MISO), and Mid-Continent Area Power Pool ("MAPP") requirements

10. The Commission has indicated it considers ten (10) factors in determining whether to grant a CPCN for a new electric facility.³ Applicant provides the following response to each of these factors.

- *From whom does the customer prefer electric service?*

Not applicable No customer requested the construction of the 230 kV Facilities, and the 230 kV Facilities do not provide direct retail service

- *What electric suppliers are operating in the general area?*

Not applicable The 230 kV Facilities do not provide direct retail service in competition with any other retail electric suppliers in the area.

- *What electric supply lines exist within a two-mile radius of the location to be served and when were they constructed?*

Not applicable The 230 kV Facilities do not provide direct retail service.

- *What customers are served by electric suppliers within at least a two-mile radius of the location to be served?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

- *What are the differences, if any, between the electric suppliers available to serve the area with respect to reliability of service?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

³ See testimony of Jerry Lien of the Commission staff, presented to the Interim Electric Industry Competition Committee, April 24, 2000

- *Which of the available electric suppliers will be able to serve the location in question more economically and still earn an adequate return on its investment?*

Not applicable. The 230 kV Facilities do not provide direct retail service.

- *Which supplier's extended electric service would best serve orderly and economic development of electric service in the general area?*

Not applicable The 230 kV Facilities did not extend the Company's retail electric service. However, construction of the 230 kV Facilities provides for an orderly and economic development of regional transmission facilities needed to preserve electric service reliability in North Dakota and neighboring states.

- *Would approval of the application result in wasteful duplication of investment or services?*

No The 230 kV Facilities were planned and approved through the MAPP regional planning process.

- *Is it probable that the location in question will be included within the corporate limits of a municipality within the foreseeable future?*

No. The 230 kV Facilities are not located near the corporate limits of any municipality.

- *Will the service by either of the electric suppliers in the area unreasonably interfere with the service or system of the other?*

Not Applicable. The 230 kV Facilities did not extend and do not provide retail electric service In addition, the 230 kV Facilities were planned and approved through the MAPP regional planning processes and approved by the MAPP Design

Review Subcommittee in order to avoid interfering with the service or system of any other MAPP member utility

As indicated here, most of the ten criteria typically used by the Commission to review a CPCN application are inapplicable, and the 230 kV Facilities satisfy the few remaining criteria.

11. Applicant believes it is in the public interest that Applicant be granted a Certificate of Public Convenience and Necessity for the authority it requests herein. Pursuant to N.D.C.C. 49-03-02, Otter Tail requests the Commission grant the requested Application not more than 20 days after a notice of opportunity for hearing is issued in this proceeding, if no party requests a hearing **Attachment 4** provides a form of Notice of Opportunity for Hearing for the convenience of the Commission and Staff.

13. Supporting Documents

As described in more detail above, the following exhibits enclosed with this Application are required by N.D.C.C. 49-03.1-01, et seq

<u>Attachment</u>	<u>Description</u>
1	Copy of selected portions of Initial Application in Case No. PU-401-99-586
2	Map 230 kV Facilities
3	Permits (Route Permit, Corridor Certificate)
4	Form of Notice of Opportunity for Hearing

WHEREFORE, Applicant respectfully requests that the Commission:

1. Enter an Order and issue a post-construction Certificate of Public Convenience and Necessity authorizing the Applicant to construct and operate the 230 kV Facilities, as described herein; and
2. Grant such other relief as the Commission shall deem appropriate

Dated this 2nd day of December, 2003.

OTTER TAIL CORPORATION
d/b/a OTTER TAIL POWER COMPANY

By


"Marc A. Jones"

Associate Counsel
Otter Tail Corporation

Attachment No. 1

(Selected Portions of Initial Application in Case No. PU-401-99-586)

- N.D. State Water Commission's database of water, dam and irrigation permits.
- Maps and legal descriptions of federal threatened and endangered species and state rare species were obtained from the U.S. Fish and Wildlife Service and the N.D. Parks and Recreation Department.
- On-the-ground surveys of extractive resources, occupied residences, habitat cover types along the route, including woodlands found along the route were conducted between October 11 and November 19, 1999.
- Woodlands within the corridor were located using black-and-white aerial photo interpretation.
- Locations of federal and state wildlife areas and local parks were obtained from the appropriate agencies.

SECTION C. NEED FOR THE FACILITY

1. An analysis of the need for the proposed facility based on present and projected demand for the product or products to be produced by the proposed facility, including the most recent system studies supporting the analysis of the need.

Based on present and projected demand for electricity, including the most recent transmission studies performed by the Red River Valley Subregional Planning Group ("RRV SPG") of the Mid-Continent Area Power Pool ("MAPP"), the proposed facility is the first step in solving multiple transmission problems endemic to the north central North Dakota transmission system. The proposed facility will act to immediately shore **up** sagging voltages on the Otter Tail system and provide immediate benefits to Otter Tail's and other utilities' customers in the project area. In addition, by serving as an excellent platform from which to construct additional facilities going north from Rugby **to** ultimately connect with facilities emanating south from Glenboro, Manitoba, the proposed facility serves to help address additional transmission problems long identified through the regional planning process. As a result, the facility will go a long way in safeguarding and enhancing transmission system reliability for North Dakota customers **and** the entire Red River Valley.

To help understand the need for the facility, we offer some background on MAPP's transmission planning and construction processes and how the facility fits into that process.

Transmission facilities planned and constructed by the region's electric utilities are performed under the auspices of MAPP's regional transmission processes. The purpose **of** MAPP's regional transmission and reliability functions is to realize, safeguard, maintain and further the reliability of the interconnected transmission operations among MAPP members and the region generally, and to provide highly reliable, safe electric

service at reasonable cost. This planning process is an ongoing, dynamic, and collaborative process among all of the MAPP utilities.

It starts with each MAPP member that owns transmission facilities. These members are required by MAPP to prepare and maintain a plan for its individual transmission facilities. The plans are comprehensive in nature and are required to conform to MAPP's reliability and transmission assessment standards. The plans assess, at a minimum, the following: the member's current and expected transmission requirements to serve its all- and partial-requirements retail and wholesale customers, its present and future network and firm transmission service (i.e., wheeling service) obligations, coordination of the plan with neighboring utilities' plans, and any other contractual or regulatory obligation of the member that in any way affect its transmission facilities. In addition to the individual utilities' plans, MAPP has also authorized the formation of sub-regional planning groups, such as the RRV SPG. The purpose of these groups is to develop coordinated sub-regional transmission plans aimed at an expanded, but specific geographic area.

Using as a basis the individual and sub-regional plans, MAPP, through its Regional Transmission Committee, develops a Regional Transmission Plan for all transmission facilities (115 kV and higher) in the MAPP region. The plans are based on a ten-year rolling forecast. The purpose of the Regional Plan is to enable the transmission needs of MAPP members and the region generally to be met on a consistent, reliable, environmentally responsible, economic and non-duplicative basis. The Regional Plan uses a ranking system in which projects are compared against alternative projects on the basis of costs, reliability concerns and benefits, contractual and other obligations of the affected utilities, permitting concerns, and other factors. Once identified by MAPP as a necessary and prudent project, MAPP relies on the most affected utility(ies) to use their best efforts in supporting and implementing the project.²

The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this system are addressed for the most part by North Dakota utilities that comprise the RRV SPG. Otter Tail, in conjunction with other RRV SPG members, has long identified problems with the 115 kV system between Devils Lake and Minot. Problems arise when outages occur on the 230 kV transmission lines and transformers that interconnect with the Minot-Devils Lake 115 kV facility. A loss on the 230 kV facility causes unreliably low voltage on the Minot-Devils Lake facility, in some instances falling below acceptable MAPP criteria. Outages on the 115 kV system between Devils Lake and Minot also are causing low voltage situations. In addition to sagging voltages, the RRV SPG and the Regional Plan have studied and identified other

² Although MAPP overwhelmingly relies on the voluntary participation of utility members to implement needed projects, MAPP possesses the authority to designate a utility to construct and own facilities identified in a Regional Plan or to enter into contracts to fulfill such obligations.

necessary areas in need of fix, including increasing the transfer capability (both north and south) between the United States and Manitoba, and increasing the capability to transfer North Dakota generation out of state. While certain improvements made by the Western Area Power Administration in 1999 have helped alleviate some of the transmission needs in this area, the additions provide only a short-term fix.

Over the course of the planning process, the RRV SPG and the Regional Plan considered several alternatives to address these concerns, including a Harvey - Devils Lake — St Leon 230 kV facility and a Garrison — Mallard — Dunning 230 kV facility. The RRV SPG and MAPP eventually agreed that the project that met the needs of the area in the most efficient and prudent manner was the construction of a 230 kV transmission facility from Harvey to Glenboro, Manitoba. MAPP found that a Harvey to Glenboro project would provide the following benefits:

- provide an incremental 200 MW of northward transfer capability between the U.S. and Manitoba
- provide an incremental 200 MW of southward transfer capability between Manitoba and the U.S.
- provide significant load serving reinforcements in central North Dakota
- provides for transmission deferral in Manitoba
- provides geographic diversity in line routing ties between the United States and Manitoba
- enhances North Dakota generation outlet capabilities
- can be achieved at lowest normalized net cost

In light of Otter Tail's and MAPP's regional planning process showing that a Harvey to Glenboro project was electrically necessary and was the most prudent and feasible project, considering all available alternatives, Otter Tail originally considered filing application for approval of a Harvey to the Canadian border 230 kV project. (Under this scenario, Manitoba Hydro would be responsible for constructing facilities located in Canada, and a Presidential Permit from the U.S. Department of Energy would be necessary to cross facilities at the border.) As the Commission is aware, however, North Dakota Century Code Section 49-22-09.1 requires that any "hydroelectric transmission facility that transmits hydroelectric power produced outside of the United States" be approved "by concurrent resolution" of the Legislature. While the purpose of a Harvey to Glenboro facility is not to "transmit hydroelectric power produced outside of the United States," the statute nonetheless is problematical in that the Legislature does not convene again until 2001. Given the present needs of the system, Otter Tail has elected to seek approval of a 230 kV transmission facility located wholly within the state and, in conjunction with other regional utilities, is likely to seek siting authority from the Commission for a cross-border project at a later date.

In Otter Tail's October 26, 1999 Letter of Intent to the Commission, Otter Tail described a 230 kV line running from Harvey to Rolla, North Dakota as a possible in-state project. In evaluating a Harvey to Rolla project, Otter Tail worked with Central Power Electric Cooperative to determine the feasibility of utilizing and upgrading Central's existing, 27 mile, 115 kV transmission corridor right-of-way between Rugby and Rollette, North Dakota. As a way of mitigating environmental impacts and minimizing costs, Otter Tail had hoped to utilize Central's existing 27 mile 115 kV right-of-way. After further evaluation, however, it was determined that converting Central Power's existing 115 kV corridor to 230 kV operation would have necessitated construction of a 115 kV facility elsewhere in the system. Although it appears that a new 115 kV route between Botineau and Rolla is viable option to site a new line, the addition will add significant costs to any project north of Rugby.

Given these additional costs, the most prudent alternative at this time is a 230 kV facility connecting Harvey to Rugby. A Harvey to Rugby 230 kV facility will greatly enhance Otter Tail's load serving capabilities in the area around north central North Dakota. In addition to the extensive analysis performed by the RRV SPG and the utilities that comprise that group, Otter Tail's analysis also supports the need for a Harvey to Rugby project.

To determine the necessity of new transmission facilities in north central North Dakota, Otter Tail performed contingency analysis to see whether the system as it presently exists can continue to operate in the event of certain outages. The analysis includes a review of the present and future load demands on the system. The analysis demonstrates that the system cannot withstand outages on certain parts of the system. For instance, an outage on the existing 230/115 kV Ramsey transformer (located near Devils Lake) would potentially cause the entire Otter Tail system in the area to experience extremely low voltage and would unlikely be able to serve the load in the area. Similar problems occur with outages on other parts of the system. These problems become even more pronounced in the future with increased load on the system. A Harvey to Rugby 230 kV facility alleviates these problems by significantly raising voltages throughout the system. With the addition of a Harvey to Rugby facility, Otter Tail's contingency analysis shows that the outages modeled no longer violate voltage criteria. The facility also greatly supports the lower voltage sub-transmission system (e.g., 41.6 kV and 69 kV system) in the region. Otter Tail's analysis, including the analysis of the RRV SPG, shows that the Harvey-Rugby 230 kV provides a least-cost solution to critical contingencies threatening the existing regional system and also for robust growth opportunities.

While the proposed facility can appropriately be viewed as a prudent project that will become used and useful once energized, it can also be appropriately viewed as a component in a larger project. As demonstrated above, MAPP and the RRV SPG have long identified many critical transmission needs in the area, only some of which are

addressed through a Harvey to Rugby project. The need to construct and connect additional 230 kV facilities going north from Rugby to their final destination at a tie somewhere along the North Dakota/Manitoba border will remain and Otter Tail, along with several other regional utilities, continues to evaluate the project and is likely to submit appropriate siting approval applications in the near future.

2. A description of any feasible alternative methods of serving the need.

As described above, all feasible and prudent alternatives were examined throughout the ongoing MAPP regional planning process.

3. A statement justifying any deviations from the most recent Ten-Year Plan which the proposed facility may present.

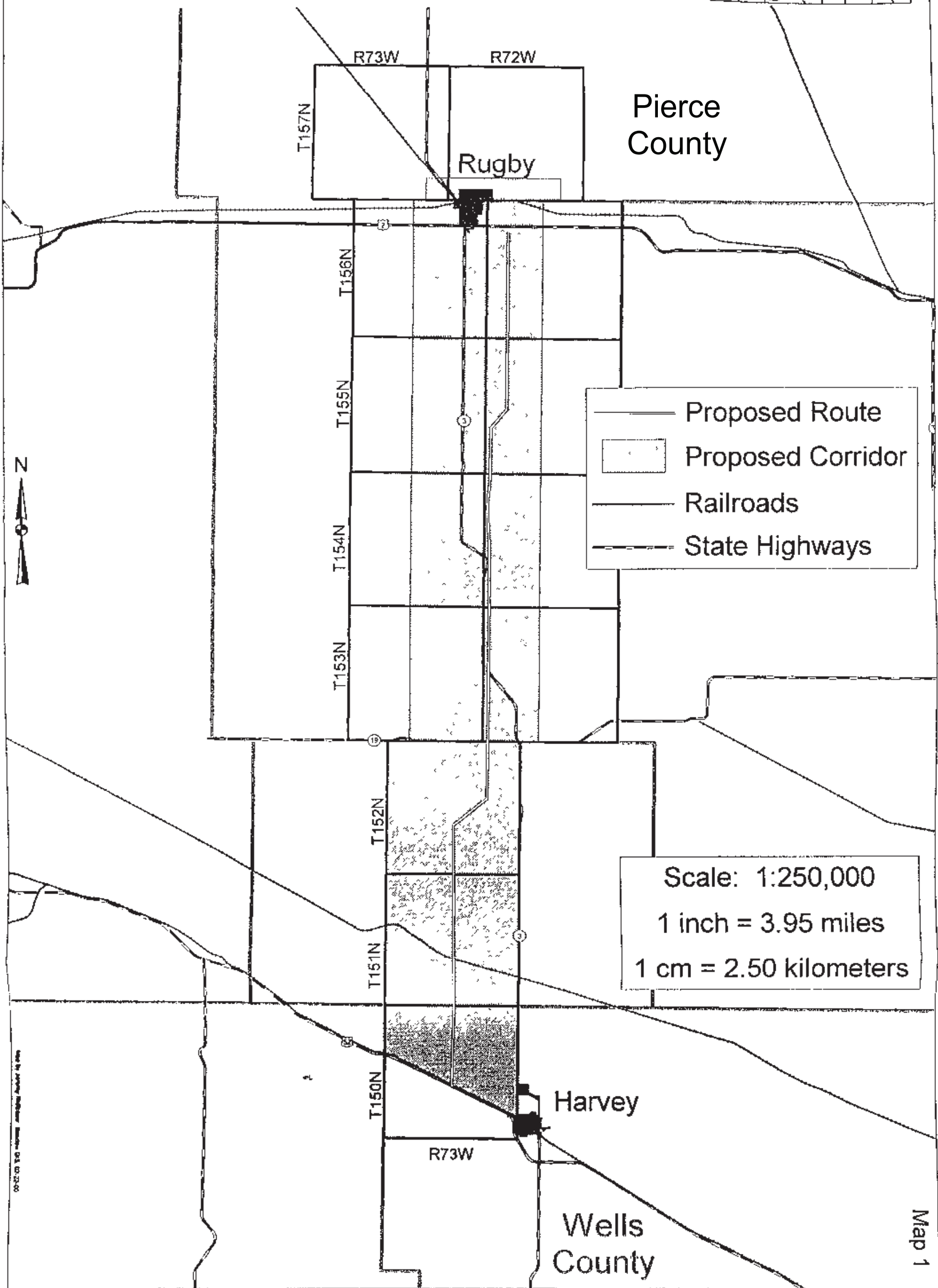
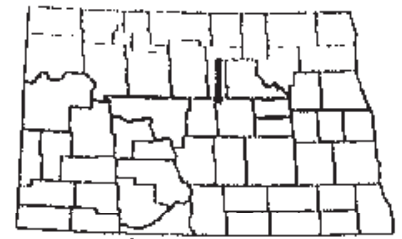
The proposed facility is entirely consistent with both Otter Tail's and MAPP's Ten-Year Transmission Plans. As described above, the facility will provide greater load serving capabilities for Otter Tail and other utilities in and around north central North Dakota.

To the extent that a Harvey-Rugby project could be considered a deviation from the Ten-Year Plan stems from the fact that regional plans identify a Harvey to Glenboro project, and not necessarily a smaller Harvey to Rugby facility. As demonstrated above, however, much of the analysis underlying that project, combined with Otter Tail's additional analysis, demonstrate and support the need for and reasonableness of the project.

The following sources, not meant to be exhaustive, identify and help support the need for the project: North Dakota — Manitoba Intertie Study — November 1993; OTP Transmission Planning Study North Dakota to Canadian Intertie Study —1993; CPEC — OTP Long Range Transmission Study — June 1995; 1998 MAPP 10 YR Plan; 1999 MAPP Revised 10 YR Plan; 1999 MAPP RRV SPG Report on H/G Project; 2000 OTP Report on North Central North Dakota .

Attachment No. 2
(Map: 230 kV Facilities)

Otter - it Power Company Proposed Harvey to Rugby 230 kV Transmission Line - Overview



Attachment No. 3

(Orders dated August 30, 2000, October 25, 2000, and February 21, 2002)

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company Company
230 Kv Transmission Line/Pierce, Wells
Counties
Siting

Case No. PU-401-99-586

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

August 30, 2000

Appearances

Commissioners Bruce Hagen, Susan E. Wefald and Leo M Reinbold.

Allen C. Hoberg, Director, Office of Administrative Hearings, 1717 North 9th Street, Bismarck, North Dakota, 58501-1882, as hearing examiner.

Todd Guerrero, Associate General Counsel, Otter Tail Power Company, 215 South Cascade Street, Fergus Falls, MN 56537, on behalf of Otter Tail Power Company.

Bruce Gerhardson, Svingen, Athens, Russell, Hagstrom and Haugrud, **P.L.L.P.**, 125 South Mill Street, P.O. Box 697, Fergus Falls, MN 56538-0697, on behalf of Otter Tail Power Company.

William W. Binek, Chief Counsel, Public Service Commission, State Capitol, 12th Floor, Bismarck, North Dakota 58505-0480, on behalf of the Public Service Commission.

Preliminary Statement

On October 26, 1999, Otter Tail Power Company (OTP), 215 South Cascade Street, Fergus Falls, MN 56537, filed a letter with the Commission, indicating its intent to construct a new 230 kV transmission facility from Harvey to Rolla, North Dakota, and indicated its intent to request a waiver of the required one-year waiting period for filing an application.

On November 18, 1999, the Commission shortened the waiting period to one day and assessed a filing fee of \$125,000 due upon filing of the siting application for the proposed electric transmission line.

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On March 6, 2000, OTP filed an application for a certificate of corridor compatibility and a route permit, and \$70,000 filing fee, for the construction of approximately 42 miles of 230,000 volt (230 kV), three-phase alternating current electric transmission line from Harvey to Rugby, North Dakota. The proposed corridor and route is in Pierce and Wells Counties.

In the application, OTP requests that the Commission waive procedures to allow for combining filing of applications for a Corridor Certificate and a Route Permit, to waive the requirement for hearings on the applications for Corridor Certificate and Route Permit and to waive the requirement for mylar maps. OTP requests that the Commission not hold a public hearing on these waiver requests. More specifically, OTP requests the Commission: (1) waive the provisions of N.D.C.C. §49-22-13(2), and N.D. Admin. Code §69-06-01-02(3) which require a public hearing on waiver requests; (2) waive the provisions of N.D.C.C. §§ 49-22-08 & 08.1, 49-22-13 and N.D. Admin. Code § 69-06-01-02 insofar as they require separate application filings, hearings on the separate filings and certain time schedules; and (3) allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commission's Guidelines. OTP's application was for a proposed facility from Harvey to Rugby, rather than from Harvey to Rolla as had been anticipated in OTP's letter of intent. Because this reduced the overall cost of the project, the filing fee for the Application was reduced to \$70,000.

On March 21, 2000, OTP filed a supplement to its application to provide further justification for its request for waiver of procedures and time lines and also to further describe how OTP considered the relative value of each facility siting criteria in determining the proposed corridor and route.

On April 6, 2000, OTP filed an amendment to its application in order to clarify that an additional substation will be constructed at the northerly terminus of the proposed facility.

On April 26, 2000, the Commission deemed the application was complete and issued a Notice of Filing and Notice of Hearing scheduling a consolidated public hearing for June 1, 2000, at 10:00 a.m. in the Harvey Armory, Kiwanis Room, 120 W 8th Street, Harvey, North Dakota. The issues to be considered in the proceeding are:

1. Will the location, construction, and operation of the proposed electric transmission line produce minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota?

2. Is the proposed electric transmission line compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed electric transmission line corridor minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?
4. Is it appropriate for the Commission to waive the procedures as requested in the application?

The public hearing was conducted as scheduled. At the time of the hearing OTP had not yet identified the location of structures along the proposed route. The Commission requested that OTP discuss with Commission staff how structure locations might be identified and how a route permit might be issued to keep this transmission facility on schedule.

On June 13, 2000, OTP filed a letter describing discussions with Commission staff regarding structure locations and route surveys as directed by the Commission. The letter also set forth suggestions for resolution of the final route location and impact issues. The Commission then considered the procedural aspects of this matter at its regularly scheduled administrative meeting on June 20, 2000.

On June 15, 2000, OTP filed a late filed exhibit consisting of a letter from the owner and operator of a radio tower located in the proposed corridor.

Having heard and considered this matter, the Commission makes the following

Findings of Fact

1. OTP is a public utility under Title 49 of the North Dakota Century Code, headquartered at 215 South Cascade Street, Fergus Falls, Minnesota 56537. OTP serves customers in central and eastern North Dakota as well as western Minnesota and northeastern South Dakota.
2. OTP states the electric transmission facility is necessary to solve multiple transmission problems endemic to the north central North Dakota electric transmission system thereby providing benefits to OTP's and other utilities' customers in the project area. The electric transmission facility will also provide a platform from which to construct additional facilities going north from Rugby for ultimate connection at the North Dakota/Canadian border with facilities emanating south from Glenboro, Manitoba.

3. Designation of a corridor for a proposed transmission facility must be made in accordance with the criteria established pursuant to N.D. Admin. Code § 69-06-08-02 and the considerations set out in N.D. C. § 49-22-09.

4. The electrical load served by the transmission system of north central and eastern North Dakota has experienced slow, albeit steady growth over the past twenty years. The needs of this transmission system are addressed for the most part by North Dakota utilities that comprise the Mid-Continent Area Power Pool's (MAPP's) Red River Valley Subregional Planning Group (RRV SPG), one of which is OTP.

5. OTP proposes to construct a new 230 kV transmission line approximately 42 miles long, from Harvey to Rugby, North Dakota. The southern terminal of the proposed facility will be an addition to the existing 230 kV substation at Harvey, North Dakota. The Northern terminal will be a new substation southeast of Rugby, North Dakota. The proposed facility will also include a new switching station near Balta, North Dakota, which will allow the proposed facility to tie into the existing 230 kV line running east/west from Velva to Devil's Lake, North Dakota.

6. The proposed facility will be constructed using wood-pole H-frame structures, and possibly some steel structures. The structures will range from 65 to 100 feet high, and spans will range from 700 to 1000 feet. The structures will support three phase conductors and two overhead shield wires for lightning protection. The conductors will be constructed of steel reinforced aluminum strands with the trade designation 954 MCM ACSR 54/7. All construction, testing and operation will conform to the requirements of the National Electric Safety Code.

7. The total estimated cost of the project is \$14 million.

8. OTP plans to begin easement acquisition by June 2000, vegetation clearing by January 2001, construction by May 2001 and energize the line by July 2002.

9. OTP requests approval of a corridor approximately six miles wide by 42 miles long, running between central North Dakota and north central North Dakota. The Corridor was selected following evaluation of a Study Area approximately 30 miles wide by 42 miles long, or approximately 1,260 square miles.

10. OTP contacted State and Federal agencies to notify them of the proposed corridor on October 6, 1999. In those initial contacts, OTP described a corridor extending from Harvey to Rolla (the original intended length of the proposed facility). A contact was made to the agencies on April 20, 2000, to inform them that the proposed facility had been limited to the area between Harvey and Rugby.

11 Blue Stem, Incorporated (Blue Stem), an environmental consulting firm, compiled data from numerous sources to analyze the biological, environmental, historic and

archeological conditions within the proposed corridor. The data included information received following agency consultations, data publicly available from other sources, and data collected during field examinations. Blue Stem used a computerized geographic information system (GIS) to compile and analyze the data. This GIS was also used to produce maps showing the existence and non-existence of criteria (as defined in N.D. Admin. Code § 69-06-08-02) within the proposed corridor.

12. No designated or registered national parks, memorial parks, historic sites, landmarks, natural landmarks, monuments or wilderness areas are located within the proposed corridor.

13. No designated or registered state parks or nature preserves are located within the proposed corridor.

14. Several park and recreational facilities located in and near Rugby are located within the proposed corridor, however OTP proposes to exclude these facilities from the proposed route. No other such facilities are located within the proposed corridor.

15. Habitat for Piping Plovers is found on four lakes within the proposed corridor. OTP proposes to locate the route over 1 5 miles from any of the Piping Plover habitat described above. There are no other areas within the proposed corridor that are critical to the life stages of threatened or endangered species.

16. The Dakota Skipper butterfly is located within the proposed corridor. OTP proposes that its route will be located away from areas in which the butterfly is found. There are no other areas within the proposed corridor where animals or plant species unique or rare to North Dakota would be irreversibly damaged.

17. There are 1,113 acres of federal Waterfowl Production Areas within the proposed corridor. OTP proposes that its route avoid all of these Areas. There are no other designated or registered national historic districts, wildlife areas, wild, scenic or recreational rivers, wildlife refuges or grasslands within the proposed corridor.

18. There are two Wildlife Management Areas managed by the North Dakota Game and Fish Department, totaling 301 acres, within the proposed corridor. OTP proposes that its route avoid all of these Areas. There are no other designated or registered state wild, scenic, or recreational rivers, game refuges, game management areas, management areas, forests, forest management lands or grasslands within the proposed corridor.

19. Blue Stem contracted with Powers Elevation Co., Inc. (historical and archeological consultant) to conduct archeological investigations along the proposed route. A Class I (files search) was made along a six mile wide corridor for the entire proposed transmission line route between Harvey and Rolla and a report summarizing those efforts was submitted to the North Dakota State Historical Preservation Officer (SHPO)

and the Commission Based on the report, the SHPO concurred that only selected portions of the route required a Class III (intensive pedestrian ground search) inventories. The Cultural Resource Management Report prepared by Byron Olson of Powers Elevation Co., Inc. indicated that no historic sites, monuments, historical markers, or archaeological sites are located within the proposed corridor. No known sites eligible for the National Historic Registry are located within the proposed corridor. However, OTP has consulted with Powers Elevation with respect to a few sites, including 1) Little Flower Cemetery (in Section 6, T. 156N, R.72W, Pierce County); 2) two stone circle sites (site 32P1401—in Section 22, T.152N, R.74W, Pierce County; and site 32PI31—in Section 3, T.151N, R.73W, Pierce County). OTP proposes that its route avoid the Little Flower Cemetery. For the stone circle sites, the archeological consultant and the State Historical Society agreed that OTP would not create adverse impacts to those sites so long as the route avoided them or exclusion zones could be created around the sites to prevent vehicular traffic from crossing in the area during construction. OTP has agreed to comply with these recommendations.

20 No areas within the proposed corridor are geologically unstable.

21. There are 174 rural residences within the proposed corridor. There are also numerous residences and businesses within the corridor near the communities of Harvey and Rugby. OTP proposes that its route not come within 500 feet of any structure being used for a residence or business.

22. There are reservoirs within the proposed corridor, totaling 106 acres of surface water. OTP proposes that its route avoid all such areas. No municipal water supplies are within the proposed corridor.

23. No water sources for organized rural water districts are located within the proposed corridor.

24. There are two irrigation permits located within the proposed corridor—one in Section 27, T.151N, R.73W. and one in Section 6, T.156N., R.72W, both in Pierce County. OTP proposes that its route avoid these areas.

25. No areas of recreational significance otherwise designated are located within the proposed corridor.

26. The corridor is made up largely of agricultural production lands. OTP proposes that there will be minimal adverse impacts upon agricultural production along the route during construction and operation of the proposed facility. The United States Department of Agriculture Natural Resources Conservation Service investigated the proposed facility and reported that it saw "no potential environmental or human impacts with this project". The Service did request further information of the precise location of the route once it is finalized. OTP has agreed to comply with this request.

27. The proposed facility is not expected to have any impact upon surface drainage patterns and ground water flow patterns.

28. The proposed facility is expected to have very minimal impacts upon noise sensitive land uses. The North Dakota Department of Health recommended that all construction equipment be equipped with recommended mufflers in good working order and construction activities near homes and places of business be limited to normal working hours. OTP has agreed to comply with this recommendation.

29. The proposed facility will be visible to landowners and community residents who live near the proposed facility.

30. Nineteen gravel and sand pits are located within the proposed corridor. Numerous inactive, unreclaimed gravel pits exist within the proposed corridor. OTP proposes that its route avoid all active gravel and sand pits. No other extractive or storage resources are located within the proposed corridor.

31. There are 14,010 acres of wetlands and lakes within the proposed corridor. The U S. Fish and Wildlife Service has an interest in some of these areas. Permits and mitigation will be required by the Service and the U.S. Army Corps of Engineers wherever wetlands are impacted. OTP has agreed to obtain all required permits and comply with any mitigation requirements of these agencies. OTP will also obtain permits where required for permanent easements held by the U S. Fish and Wildlife Service.

32. Approximately 2,060 acres of woodlands and shelter belts are located within the proposed corridor. OTP agrees to replace two trees for every tree that is removed and will contact land owners to determine preferred locations off of the right of way for replacement trees. For those landowners who do not desire replacement trees to be planted on their property, OTP agrees to plant replacement trees as directed by the Parks Department of Rugby and Harvey, North Dakota.

33. One radio tower is located within the proposed corridor. OTP has coordinated with the owner and operator of the tower to avoid any interference with tower operations. OTP and the tower owner and operator anticipate that the proposed facility will have no adverse impact on the tower operations. No other impacts to radio and television reception and other communication or electronic control facilities are anticipated from the proposed facility. A letter from the owner of the radio tower, filed as a late filed exhibit, stated that the proposed transmission line is not likely to create interference or in any other way harmfully affect the operation of the radio tower.

34. Human health and safety are not expected to be impacted by the proposed facility. The North Dakota Department of Health investigated the proposed facility and concluded "impacts from the proposed construction will be minor and can be controlled

by proper construction methods". OTP has agreed to employ proper construction methods to insure the project will result in minimal impacts to human health and safety. The proposed facility will be designed and constructed to meet or exceed the standards of the National Electric Safety Code.

35. Animal health and safety is not expected to be impacted by the proposed facility.

36. Impacts of the proposed facility on agricultural plant life will be minimal, and landowners will be compensated for any losses. Native plant life will be impacted minimally and mitigation will be conducted by OTP.

37. OTP has adopted policies and practices that will maximize benefits and therefore OTP's application should be given preference. Examples of such policies and practices are as follows: OTP has policies to minimize and mitigate environmental impacts, to follow the National Electric Safety Code requirements and policies, to design its systems to efficiently transfer electricity, to insure worker and public health and safety and to insure cost effective methods of meeting its delivery obligations. Furthermore, OTP has policies and practices that encourage training and utilization of available labor in this state for the general and specialized skills required. Also the electricity transmitted across the proposed facility is largely committed for use in the State of North Dakota. OTP has also coordinated its existing facilities with the proposed facility to insure reliability and enhance efficiency.

38 OTP has identified a line intended to be the proposed route. However, OTP has not identified the location of each structure along this proposed route. We find that, until the location of structures has been identified, the Commission is not able to determine the ultimate impact of the project. Therefore, the Commission is not able to issue a permit for the route at this time. The Commission will extend the time period under which it is required to issue the route permit and thereby provide time for OTP to finalize the transmission facility route, assess the impacts, file the information as supplement to the application. After the application is supplemented, the Commission will determine a procedure to conclude the proceeding.

39. OTP, in conjunction with other members of the Red River Valley Subregional Planning Group of the Mid-Continent Area Power Pool considered several alternatives to resolve long identified problems with the 115 kV system between Devils Lake and Minot, including a Harvey - Devils Lake - St Leon 230 kV facility and a Garrison - Mallard - Dunning 230 kV facility. The RRV SPG and MAPP determined that the most efficient and prudent project was a 230 kV electric transmission facility from Harvey to Glenboro, Manitoba. The application in this proceeding, for the Harvey to Rugby facility, is the first phase of the Harvey to Glenboro facility. The Harvey to Rugby electric transmission facility will provide significant load serving reinforcements in central North Dakota. The proposed facility is the most prudent and feasible method of serving this need.

40. We find that the proposed corridor is compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

41. OTP requested a waiver of the procedures concerning the provisions of N.D.C.C. §§ 49-22-08 & 08.1, 49-22-13 and N.D Admin. Code § 69-06-01-02 insofar as they require separate application filings, hearings on the separate filings and certain time schedules. OTP stated that the waiver should be granted because the proposed facility would produce minimal adverse effects. We agree that a waiver should be granted for the consolidation of the application filings and for consolidation of hearings in one location. We find no sufficient reason to grant a waiver of all hearings.

42. OTP requested a waiver to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commissions Guidelines. The Commission has often granted a waiver of this requirement and we agree to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicant, Otter Tail Power Company, and over the subject matter of this application under N.D.C.C. Chapter 49-22.
2. The electric transmission line proposed by OTP is a transmission facility as defined in N.D C.C. §49-22-03(11).
3. OTP's proposed corridor is of such length, location and purpose that it will minimize adverse effects upon the environment, and upon the welfare of the citizens of North Dakota, while ensuring continuing system reliability, integrity, efficient use of resources, and insuring that energy needs are met and fulfilled in an orderly and timely fashion
4. OTP's proposed corridor is compatible with the environmental preservation and efficient use of resources.
5. It is appropriate for the Commission to issue OTP a Certificate of Corridor Compatibility

6. It is appropriate for the Commission to waive the procedures as requested in the application concerning waiver of the provisions of N.D.C.C. §§ 49-22-08 & 08.1, 49-22-13 and N.D. Admin. Code § 69-06-01-02 insofar as they require separate application filings, certain time schedules, and hearings in each county; and to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commissions Guidelines.

From the foregoing Findings of Fact and Conclusions of Law, the Commission issues its:

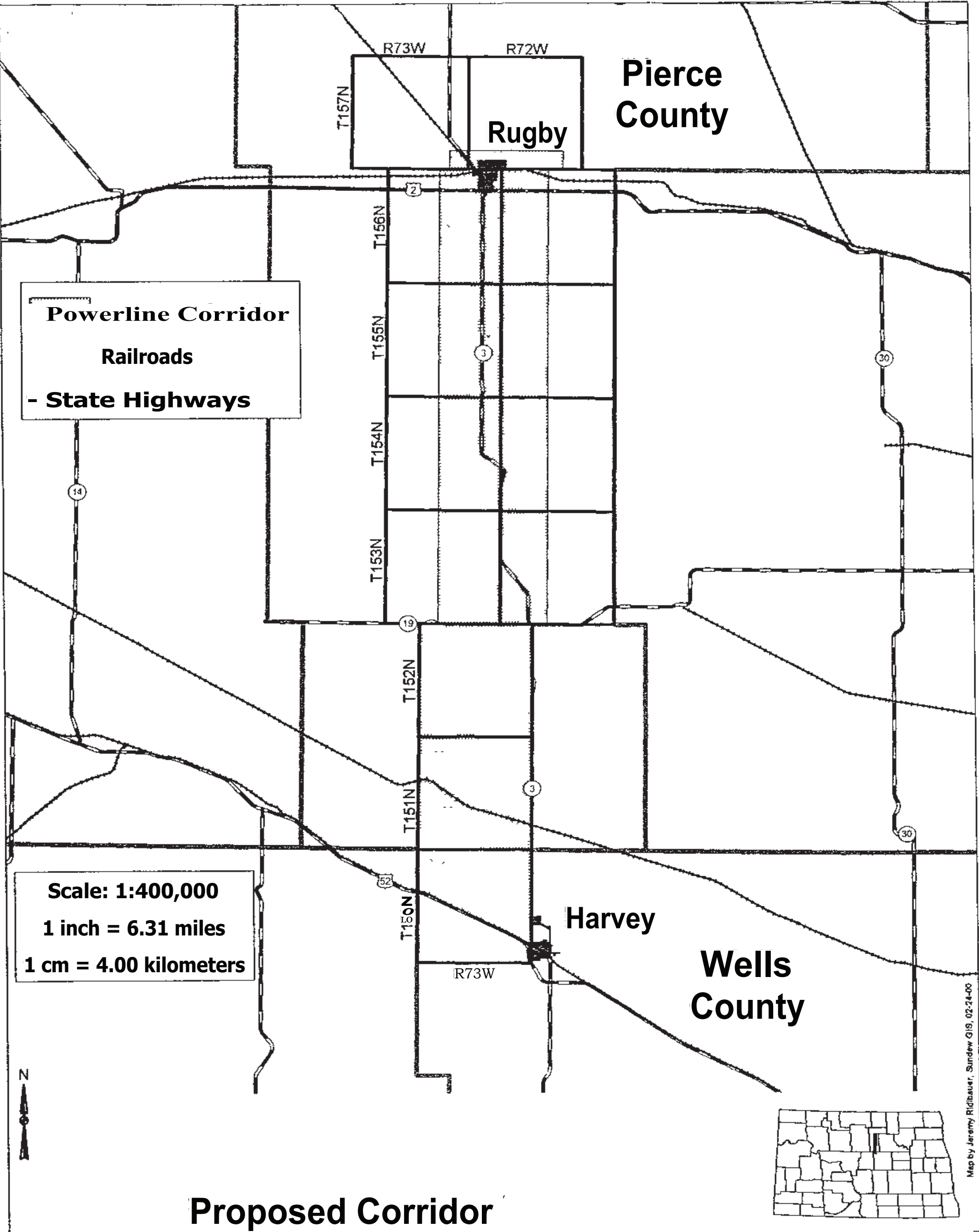
Order

The Commission orders:

1. OTP's application for a waiver concerning the provisions of N.D.C.C. §§ 49-22-08 & 08.1, 49-22-13 and N.D. Admin. Code § 69-06-01-02 insofar as they require separate application filings, certain time schedules, and hearings in each county; and OTP's application for a waiver to allow Geographic Information System criteria maps to substitute for the mylar maps and aerial photographs required by the Commissions Guidelines is granted.
2. Certificate of Site Compatibility for a Transmission Facility Corridor No. 77 is issued to Otter Tail Power Company under N.D.C. § 49-22-08(5), designating a six-mile wide corridor as shown on the attached map.
3. The authorization granted by this order and certificate is subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.

PUBLIC SERVICE COMMISSION

		
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Susan E. Weid Commissioner	Bruce Hagen President	Leo M. Reinbold Commissioner



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PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Corridor Compatibility for Transmission Facility

Certificate Number 77

This is to certify that the Commission has designated a transmission facility corridor for Otter Tail Power Company, which is described as follows.

The corridor is approximately six miles wide, the center of which extends from Sections 21 and 22, Township 150N, Range 73W near Harvey, in a northerly direction for approximately forty two miles to Sections 31 and 32, Township 157N, Range 72W near Rugby.

The facility may be routed in this designated corridor in compliance with the transmission facility routing criteria. This certificate is issued in accordance with the Order of the Commission in Case No. Case No. PU-401-99-586 dated August 30, 2000, and is subject to the conditions and limitations noted in the order.

Bismarck, North Dakota, August 30, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

37 PU-401-99-586

Pages 1

Certificate No 77

by Public Service Commission

08/30/2000

CC Comm Legal PUD (3)

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
230 Kv Transmission Line/Pierce, Wells
Counties
Siting

Case No. PU-401-99-586

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **31st day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Findings of Fact, Conclusion of Law and Order

The envelopes were addressed as follows:

Todd Guerrero
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 567538-0496
Cert. No. 7099 3400 0014 4513 7627

Sharon Helbling further deposes and says that on the **31st day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **three** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Bruce Gerhardson
125 South Mill ST
Fergus Falls MN 56538-0697

George Koeck
Otter Tail Power Company
215 S Cascade St
Fergus Falls MN 56538-0496

Rodney C H Scheel
Vice President Electrical
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 56538-0496

Each address shown is the respective addressee's last reasonably ascertainable post office address.

**Subscribed and sworn to before me
this 31st day of August, 2000.**

Notary Public

SEAL

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Corridor Compatibility for Transmission Facility

Certificate Number 77

This is to certify that the Commission has designated a transmission facility corridor for Otter Tail Power Company, which is described as follows

The corridor is approximately six miles wide, the center of which extends from Sections 21 and 22, Township 150N, Range 73W near Harvey, in a northerly direction for approximately forty two miles to Sections 31 and 32, Township 157N, Range 72W near Rugby.

The facility may be routed in this designated corridor in compliance with the transmission facility routing criteria. This certificate is issued in accordance with the Order of the Commission in Case No. Case No PU-401-99-586 dated August 30, 2000, and is subject to the conditions and limitations noted in the order

Bismarck, North Dakota, August 30, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

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37 PU-401-99-586

Pages 1

Certificate No 77

by Public Service Commission

08/30/2000

CC Comm Legal PUD (3)

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company Company
230 Kv Transmission Line/Pierce, Wells
Counties
Siting**

Case No. PU-401-99-586

SUPPLEMENTAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

October 25, 2000

Appearances

Commissioners Bruce Hagen, Susan E. Wefald and Leo M. Reinbold.

Allen C. Hoberg, Director, Office of Administrative Hearings, 1717 North 9th Street, Bismarck, North Dakota, 58501-1882, as hearing examiner.

Todd Guerrero, Associate General Counsel, Otter Tail Power Company, 215 South Cascade Street, Fergus Falls, MN 56537, on behalf of Otter Tail Power Company.

Bruce Gerhardson, Svingen, Athens, Russell, Hagstrom and Haugrud, P.L.L.P., 125 South Mill Street, P.O. Box 697, Fergus Falls, MN 56538-0697, on behalf of Otter Tail Power Company.

William W. Binek, Chief Counsel, Public Service Commission, State Capitol, 12th Floor, Bismarck, North Dakota 58505-0480, on behalf of the Public Service Commission.

Preliminary Statement

On March 6, 2000, Otter Tail Power Company (OTP) filed an application for a certificate of corridor compatibility and a route permit, and \$70,000 filing fee, for the construction of approximately 42 miles of 230,000 volt (230 kV), three-phase alternating current electric transmission line in Pierce and Wells Counties from Harvey to Rugby, North Dakota.

In the application, OTP requested, that the Commission waive procedures to allow for combining filing of applications for a Corridor Certificate and a Route Permit along with other requested waivers.

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Pages 8

Supplemental Findings of Fact,
Conclusions of Law and Order
by Public Service Commission

10/252000

CC Comm Legal PUD (3)

On March 21, 2000, OTP filed a supplement to its application to provide further justification for its request for waiver of procedures and time lines and also to further describe how OTP considered the relative value of each facility siting criteria in determining the proposed corridor and route.

On April 6, 2000, OTP filed an amendment to its application in order to clarify that an additional substation will be constructed at the northerly terminus of the proposed facility.

On April 26, 2000, the Commission deemed the application was complete and issued a Notice of Filing and Notice of Hearing scheduling a consolidated public hearing for June 1, 2000, at 10:00 a.m. in the Harvey Armory, Kiwanis Room, 120 W 8th Street, Harvey, North Dakota. The Commission stated that the issues to be considered in the proceeding are:

1. Will the location, construction, and operation of the proposed electric transmission line produce minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota?
2. Is the proposed electric transmission line compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed electric transmission line corridor minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?
4. Is it appropriate for the Commission to waive the procedures as requested in the application?

The public hearing was conducted as scheduled. At the time of the hearing OTP had not yet identified the location of structures along the proposed route. The Commission requested that OTP discuss with Commission staff how structure locations might be identified and how a route permit might be issued to keep this transmission facility on schedule.

On June 13, 2000, OTP filed a letter describing discussions with Commission staff regarding structure locations and route surveys as directed by the Commission. The letter also set forth suggestions for resolution of the final route location and impact issues.

On August 30, 2000, the Commission issued its Findings of Fact, Conclusions of Law and Order. The Commission determined that the proposed corridor is compatible

with the environmental preservation and the efficient use of resources and issued Certificate of Site Compatibility for a Transmission Facility Corridor No. 77 to OTP under N.D.C.C. § 49-22-08(5), designating a six-mile wide corridor. The Commission found, however, that until the location of structures has been identified along the proposed route, the Commission could not determine the ultimate impact of the project and could not issue a permit for the route. The Commission extended the time period under which it is required to issue the route permit and thereby provided time for OTP to finalize the transmission facility route, assess the impacts, and file the information as supplement to the application.

Subsequent to the Commission's August 30, 2000 order, a landowner in Section 19 of Reno Valley Township (T.155 N , R. 72 W.) contacted the Commission orally objecting to the diagonal route of the proposed transmission line across a portion of his property.

On September 7, 2000, OTP filed Plan and Profile Sheets showing line design and structure locations together with written testimony of Rick Johnson submitted to explain the Plan and Profile Sheets.

On September 13, 2000, OTP filed a letter regarding the possibility of an alteration of the proposed route in Section 19 of Reno Valley Township (T.155 N., R. 72 W.).

On September 27, 2000, OTP filed a Supplement to Written Testimony of Rick Johnson submitted to explain a minor inaccuracy in the Profile's depiction of elevation in the Plan and Profile Sheets.

On September 27, 2000, BlueStem, Incorporated (BlueStem), an environmental consulting firm retained by OTP, filed a letter that provided additional information concerning the impacts of the proposed route.

Having considered the evidence and supplemental filings in this matter, the Commission makes the following

Findings of Fact

1. OTP is a public utility under Title 49 of the North Dakota Century Code, headquartered at 215 South Cascade Street, Fergus Falls, Minnesota 56537. OTP serves customers in central and eastern North Dakota as well as western Minnesota and northeastern South Dakota.

2. Designation of a route for a proposed transmission facility must be made in accordance with the criteria established pursuant to N.D. Admin. Code § 69-06-08-02 and the considerations set out in N.D.C.C. § 49-22-09.
3. Pursuant to the Commission's order issued August 30, 2000, OTP filed supplemental information relating to structure location in support of its application for a route permit for the proposed Harvey to Rugby 230 kV transmission line. The supplemental information includes Plan and Profile Sheets showing line design and structure locations together with written testimony of Rick Johnson submitted to explain the Plan and Profile Sheets, and a letter filed by BlueStem, Incorporated (BlueStem), an environmental consulting firm retained by OTP, that provides additional information concerning the impacts of the proposed route.
4. The Plan and Profile Sheets filed by OTP show the design of the proposed transmission line. The "Plan" view shows the view of the proposed line from above the line, and includes the structure locations and the geographic conditions surrounding the proposed line. The "Profile" view shows a side view of the proposed line and the topography of the land upon which the proposed line is to be constructed.
5. The letter filed by BlueStem on September 27, 2000 provides environmental information for 1) the structure locations proposed by OTP, and 2) the possible alternate route in Section 19 of Reno Valley Township (T.155 N., R. 72 W.).
6. BlueStem reviewed the Plan and Profile Sheets and compared them with criteria maps showing wetlands and U.S. Fish and Wildlife Service wetland easements. BlueStem determined that 20 of the 323 proposed structures are in or adjacent to wetlands. BlueStem was able to make a wetland determination for some of the 20 structures from photographs, but some will require field verification. In a footnote, BlueStem notes that "the presence of water doesn't always indicate a wetland and the absence of water doesn't ensure the absence of a wetland." BlueStem states that the determination must be based on the presence of hydnc soils, wetland vegetation, and sufficient water to produce anaerobic conditions, and that it is possible to determine the status of some sites by looking at photographs, but some sites require on-the-ground investigations.
7. BlueStem determined that impacts to wetlands would be limited to, at most, placement of 14 structures into temporary or seasonal wetland edges. BlueStem determined that none of the structures would be place in open water which ensures that fill will not need to be placed into wetlands. BlueStem stated that boring holes for pole in these wetlands will create minimal impacts and wetland functions will not be affected in the long-run.
8. OTP will contact the U S. Fish and Wildlife Service and request that they conduct a field determination to identify which of the structures are in wetlands. OTP will request that a special use permit be granted for structures in wetland easements. The

Commission finds that copies of such special use permits should be filed with the Commission prior to construction of the transmission line.

9. OTP will also contact the U.S. Army Corps of Engineers and request a Clean Water Act (Section 404) permit for placing structures in wetlands. The Commission finds that copies of such permits should be filed with the Commission prior to construction of the transmission line.

10. BlueStem states that approximately four acres of woodlands will be lost due to construction of the facility, but will be replaced on a two-to-one basis.

11. OTP requests approval of a route within its previously approved corridor, running between central North Dakota and north central North Dakota. The right-of-way for the route will be 120 feet wide (60 feet on either side of the centerline).

12. Several park and recreational facilities located in and near Rugby are located within the proposed corridor, however OTP excludes these facilities from the route.

13. OTP's route is located over 1.5 miles from any of the Piping Plover habitat.

14. OTP's route is located away from areas in which the Dakota Skipper butterfly is found.

15. OTP's route will avoid all federal Waterfowl Production Areas.

16. OTP's route will avoid all Wildlife Management Areas managed by the North Dakota Game and Fish Department.

17. OTP's route will not come within 500 feet of any structure being used for a residence or business.

18. OTP's route will avoid all water reservoirs.

19. OTP's route will avoid all irrigation permit areas.

20. OTP's route will have no impact upon surface drainage patterns and ground water flow patterns.

21. OTP's route will avoid all active gravel and sand pits.

22. In response to concerns expressed by Frank Voeller, landowner, OTP's September 13, 2000, letter discusses the possibility of an alteration of the proposed route in Section 19 of Reno Valley Township (T. 155 N., R. 72 W.). OTP stated that it discussed possibilities for an alternate route with Frank Voeller and they concluded that the best possibility for an alternate route would be to continue straight north at the southern border of Section 19 and turn east at a 90 degree angle near the northern section line.

BlueStem states that the alternate route crosses productive agriculture land, but will not impact any exclusion, avoidance, or selection criteria. If the line is routed straight north, there is a large semi-permanent wetland at the southern border of Section 19 that would need to be spanned to avoid impacts. This wetland is under easement by the U.S. Fish and Wildlife Service, so a special use permit would be required if structures are placed in the wetland. BlueStem also recommends that the alternate route turn east at the southern edge of a wetland in the northwest corner of Section 19 in order to avoid impacts. We agree.

23. We find that the proposed route with the alteration in Section 19 of Reno Valley Township (T.155 N., R. 72 W.), is compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicant, Otter Tail Power Company, and over the subject matter of this application under N.D.C.C. Chapter 49-22.
2. The electric transmission line proposed by OTP is a transmission facility as defined in N.D.C.C. § 49-22-03(11).
3. OTP's proposed project is of such length, location and purpose that it will minimize adverse effects upon the environment, and upon the welfare of the citizens of North Dakota, while ensuring continuing system reliability, integrity, efficient use of resources, and insuring that energy needs are met and fulfilled in an orderly and timely fashion
4. OTP's proposed route is compatible with the environmental preservation and efficient use of resources.
5. The application and supplemental materials submitted by OTP meets the route evaluation criteria required by NDCC chapter 49-22.
6. It is appropriate for the Commission to issue OTP a Route Permit for the proposed facility.

From the foregoing Findings of Fact and Conclusions of Law, the Commission issues its:



Order

The Commission orders:

1. OTP's application for a waiver of procedures and time schedules is granted.
2. Route Permit for the Construction of a Transmission Facility No. 87 is issued to OTP granting authority to construct the transmission line route in the location shown on the attached map.
3. OTP shall hold a preconstruction conference prior to commencement of any construction, which must include a OTP representative, its construction supervisor, and a representative of Commission Staff to ensure that OTP fully understands the conditions set forth in this order.
4. OTP shall comply with the rules and regulations of all other agencies having jurisdiction over any phase of the proposed transmission line, and shall obtain all other necessary licenses and permits, and shall provide copies of all licenses and permits to the Commission prior to construction of the transmission line.
5. OTP shall inform the Commission of its intent to start construction on the transmission line prior to the commencement of construction, and once construction has started, OTP shall keep the Commission updated on construction activities on a weekly basis.
6. OTP shall construct and operate the transmission line in the manner described in OTP's application as revised at the hearing and in late filed exhibits and supplemental materials, and in accordance with all applicable safety requirements.
7. OTP shall promptly report to the Commission the presence in the permit area of any critical habitat of threatened or endangered species, or of bald or golden eagles which OTP becomes aware of and which were not previously reported to the Commission.
8. If any cultural resource, paleontological, archeological, historical, or grave site is discovered during construction, it must be marked, preserved and protected from further disturbances until a professional examination can be made by the State Historical Society, a report of such examination is filed with the Commission, and clearance to proceed is given by the Commission.
9. All pre-existing roads and lanes used during construction must be restored to a condition that will accommodate their previous use, and areas used as temporary roads or working areas during construction must be restored to their original condition.
10. Construction must be suspended when weather conditions are such that construction activities will cause irreparable damage, unless adequate protection measures approved by the Commission are taken.

11. Reclamation and clean-up along the right-of-way must be continuous and coordinated with construction.
12. Reclamation, fertilization, and reseeding is to be done by OTP according to the National Resources Conservation Service recommendations, unless otherwise specified by the landowner and approved by the Commission.
13. OTP's obligation for reclamation and maintenance of the right-of-way will continue throughout the life of the transmission line.
14. Trees and other woody vegetation must be replaced at a rate of two for every one removed along the route. OTP shall contact landowners to determine preferred locations off of the right-of-way for replacement plantings. Trees and woody vegetation must be replaced with saplings that are two or more years old.
15. OTP shall inspect replacement tree plantings once a year for three years and send a report to the Commission on or shortly before October 1 of each year documenting work completion and condition of woodlands planting. The first report shall also indicate the number and variety of plantings and locations and dates of the plantings. The Commission will monitor the survival rate of replacement tree plantings, and may order additional plantings if survival rates are less than 75%.
16. OTP shall work with landowners and residents to mitigate any increase in television and residential radio interference that results from the route of the transmission line.
17. OTP shall obtain approval from the Commission or from Commission Staff prior to any changes in structure locations.
18. OTP shall provide the Commission with a copy of the design specifications for the construction of the transmission line showing the location of the transmission line as built. OTP shall provide this information within 3 months of the completion of the construction.
19. The authorizations granted by the corridor certificate and route permit are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.

PUBLIC SERVICE COMMISSION

 <hr style="border: 0; border-top: 1px solid black;"/> <p>Susan E. Wild Commiss • er</p>	<p>"ABSENT"</p> <hr style="border: 0; border-top: 1px solid black;"/> <p>Bruce Hagen President</p>	 <hr style="border: 0; border-top: 1px solid black;"/> <p>Leo M. Reinbold Commissioner</p>
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PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Route Permit for the Construction of a Transmission Facility

Certificate Number 87

This is to certify that the Commission has designated a transmission facility route for Otter Tail Power Company, which is described as follows:

An electric transmission line route originating in Township 150N, Range 73W, Section 22 in Wells County near Harvey, North Dakota, and proceeding in a Northerly direction for approximately 42 miles terminating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota.

This permit is issued in accordance with the Orders of the Commission in Case No. Case No. PU-401-99-586 dated August 30, 2000 and October 25, 2000, and is subject to the conditions and limitations noted in the orders.

Bismarck, North Dakota, October 25, 2000.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
230 KvTransmission Line/Pierce, Wells
Counties
Siting

Case No. PU-401-99-586

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **26th day of October, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Supplemental Findings of Fact, Conclusion of Law and Order

The envelopes were addressed as follows:

Todd Guerrero
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 567538-0496
Cert. No. 7099 3400 0014 4513 7368

Sharon Helbling further deposes and says that on the **26th day of October, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **three** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Bruce Gerhardson
Otter Tail Power Company
215 S Cascade St
Fergus Falls MN 56538-0697

George Koeck
Otter Tail Power Company
215 S Cascade St
Fergus Falls MN 56538-0496

Rodney C H Scheel
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 56538-0496

Each address shown is the respective addressee's last reasonably ascertainable post office address.

**Subscribed and sworn to before me
this 26th day of October, 2000.**

SEAL

Notary Public

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
230 Kv Transmission Line/Pierce, Wells
Counties
Siting

Case No. PU-401-99-586

FIRST AMENDED ORDER

February 21, 2002

Preliminary Statement

On March 6, 2000, Otter Tail Power Company (OTP) filed an application for a certificate of corridor compatibility and a route permit for the construction of approximately 42 miles of 230,000 volt (230 kV), three-phase alternating current electric transmission line in Pierce and Wells Counties from Harvey to Rugby, North Dakota.

On April 6, 2000, OTP filed an amendment to its application in order to clarify that an additional substation will be constructed at the northerly terminus of the proposed facility.

On August 30, 2000, the Commission issued its Findings of Fact, Conclusions of Law and Order and issued Certificate of Site Compatibility for a Transmission Facility Corridor No. 77 to OTP

On October 25, 2000, the Commission issued its Supplemental Findings of Fact, Conclusions of Law and Order and issued Route Permit for the construction of a Transmission Facility No. 87 to OTP.

By letter dated January 22, 2002, OTP requested Commission approval of changes in structure locations, changes in the transmission line route, and requested approval to commence construction on 2.6 miles of line from Sections 22 and 14 in Hillside Township and on 1.1 miles of line in Sections 6 and 7 in Rosedale Township.

The 2.6-mile section of line begins with new structure #97 and ends with new structure #121. The structure numbers in the original application begin with #97 and end with #115. The reroute is proposed due to a landowner's request to minimize the impact on farming operations. OTP finds the reroute would not affect the integrity of the line nor would cost be increased significantly

The 1.1-mile section of line begins with new structure #179 and ends with new structure #188. The structure numbers in the original application begin with #169 and _

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end with #177. The reroute is proposed to improve the layout of the Balta Substation dead-end structure

The request involves changes to the original permitted route, therefore, all agencies with jurisdiction over the siting of this transmission line were notified.

On February 14, 2002, the Commission held an Informal Hearing on the request.

Pam Dryer, Environmental Consultant, evaluated the changes and in a letter dated December 5, 2001, stated that no additional impacts to criteria would take place along the proposed reroute on the 1 1-mile section. On the 2 6-mile section, Pam Dryer found that the north/south section of the reroute follows an intermittent drainage that connects Lestmeister Lake (in Section 16) to the northwest with smaller wetlands to the southeast. Pam Dryer recommended that OTP take care to ensure that water flow through this drainage is not altered from construction and structure placement.

By letter dated January 16, 2002, Lee Albright, Wetland District Manager-United States Fish and Wildlife Service, evaluated the change and found that the sites for structure #97 through #111 are covered by a Fish and Wildlife Service wetland easement but none of those proposed structure sites is located in a wetland area protected by the easement. Lee Albright stated that the proposed structure sites are approved.

In a letter dated November 20, 2001 to the State Historical Society of North Dakota, Byron Olson, Billcatt Archaeology Inc., recommended that no additional cultural resource work need be performed to determine that the proposed reroute on the 1.1-mile section would have no additional impact to cultural resources. By letter dated November 21, 2001, Merlan Paaverud, State Historic Preservation Officer with the State Historical Society of North Dakota concurred with Byron Olson's findings. In a report to the State Historical Society of North Dakota dated January 15, 2002, Byron Olson evaluated the proposed 2.6 mile section and found that no cultural resources would be impacted. By letter dated January 16, 2002, Merlan Paaverud concurred with Byron Olson's findings.

OTP has stated they will comply with the rules and regulations of all other agencies having jurisdiction over any phase of the transmission line.


We find that the proposed routes are compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

Order

The Commission orders:

1. Otter Tail Power Company's request for changes in structure locations, changes in the transmission line route, and request to commence construction on 2.6 miles of line from Sections 22 and 14 in Hillside Township and on 1.1 miles of line in Sections 6 and 7 in Rosedale Township is granted.
2. Route Permit for the Construction of a Transmission Facility No. 87 is amended.

PUBLIC SERVICE COMMISSION


Anthony T. Clark
Commissioner

"ABSENT"

Susan E. Wefald
President


Leo M. Reinbold
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

First Amended Route Permit for the Construction of a Transmission Facility

Certificate Number 87

*This is to certify that the Commission has designated a transmission facility route for Otter Tail Power Company, which is described as follows**

An electric transmission line route originating in Township 150N, Range 73W, Section 22 in Wells County near Harvey, North Dakota, and proceeding in a Northerly direction for approximately 42 miles terminating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota.

This permit is issued in accordance with the Orders of the Commission in Case No. PU-401-99-586 dated August 30, 2000, October 25, 2000 and February 21, 2002 and is subject to the conditions and limitations noted in the orders.

Bismarck, North Dakota, February 21, 2002.

ATTEST:

PUBLIC SERVICE COMMISSION

d
Executive Secretary

Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
230 KvTransmission Line/Pierce, Wells
Counties
Siting

Case No. PU-401-99-586

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **25th day of February, 2002**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of

First Amended Order

The envelopes were addressed as follows:

Bruce Gerhardson
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 567538-0496
Cert. No. 7099 3220 0002 8483 1525

Sharon Helbling further deposes and says that on the **25th day of February, 2002**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same

George Koeck
Otter Tail Power Company
215 S Cascade St
Fergus Falls MN 56538-0496

Rodney C H Scheel
Otter Tail Power Company
215 South Cascade St
Fergus Falls MN 56538-0496

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **25th day of February, 2002.**

Notary Public

SEAL

Attachment No. 4

(Form of Notice of Opportunity for Hearing)

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Corporation d/b/a
Otter Tail Power Company
Application for Post-Construction Certificate of
Public Convenience and Necessity**

Case No. PU-_____

NOTICE OF OPPORTUNITY FOR HEARING

December , 2003

On August 30, 2000 in Case No PU-401-99-586, the Commission issued Certificate of Site Compatibility for a Transmission Facility Corridor No. 77, and on October 25, 2000 issued Route Permit for the Construction of a Transmission Facility No 87 for the construction of approximately 40 miles of 230,000 volt (230 kV) three-phase alternating current electric transmission line (the 230 kV Facilities) from Harvey to Rugby, North Dakota The corridor and route is in Pierce and Wells Counties

The 230 kV Facilities were constructed in 2002 and placed into service on November 20, 2002.

On August 26, 2003, the Commission sent a letter to Otter Tail Corporation (Otter Tail) indicating the Commission believes Otter Tail should have applied for a Certificate of Public Convenience and Necessity ("CPCN") under N.D C C. Chap. 49-03-01 authorizing construction of the 230 kV Facilities.

On December 2, 2003, Otter Tail submitted an application for a post-construction Certificate of Public Convenience and Necessity for the 230 kV Facilities. Otter Tail states that issuance of a post-construction CPCN would serve the public interest Otter Tail is a public utility under Title 49 of the North Dakota Century Code, headquartered at 215 South Cascade Street, Fergus Falls, Minnesota.

The issues to be considered in this matter are:

1. Fitness and ability of the applicant to provide service,
2. Adequacy of the proposed service,
3. Technical, financial and managerial ability of the applicant to provide service

Those interested are invited to comment on this application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearing must be received by **[insert date]**. If deemed appropriate, the Commission can determine the matter without a hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-224-2400, or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or braille materials please notify Jon Mielke, Executive Secretary

PUBLIC SERVICE COMMISSION

Anthony T. Clark
Commissioner

Susan E. Wefald
President

Kevin Cramer
Commissioner

PU-400-03-1668

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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Address

ffyt27-1-

Ferquo Falls Ma 56588-0446

2. Article Number
(Transfer from service label)

7003 2260 0001 3516 8842

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature



A. Agent

Addressee

Received by (Printed Name)

Category of Delivery

Registered

D. Is delivery address different from item 19 Yes

If YES, enter delivery address below No

3. Service Type

Registered Express Mail

Insured Mail Return Receipt for Merchandise

COD

4. Restricted Delivery? (Extra Fee)

Yes