

LINDQUIST & VENNUM P.L.L.P.

4200 IDS CENTER
80 SOUTH EIGHTH STREET
MINNEAPOLIS, MN 55402-2274
TELEPHONE: 612-371-3211
FAX: 612-371-3207

IN DENVER:
600 17TH STREET, SUITE 1800 SOUTH
DENVER, CO 80202-5441
TELEPHONE: 303-573-5900
FAX: 303-573-1956

ATTORNEYS AT LAW

www.lindquist.com

Todd J. Guerrero
(612) 371-3258
tguerrero@lindquist.com

September 17, 2007

Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505

**Re: Montana Dakota Utilities Co., and Otter Tail Corporation; Advance
Determination of Prudence, Big Stone II Generating Station
Case Nos. PU-06-481 and PU-06-482**

Dear Ms. Jeffcoat-Sacco:

Applicants write to inform the Commission of recent developments in the Big Stone II project, and to propose a procedural change in the schedule for addressing the above consolidated matters.

Last week, Great River Energy and Southern Minnesota Municipal Agency, two of the project co-owners whose load is primarily within the state of Minnesota, informed Otter Tail Power Company, as project manager, that for a variety of reasons, they intend to withdraw from the project as equity owners on September 21, 2007, the date set by the Applicants' Participation Agreement for an "in or out" vote by all owners for continued participation in the project.

The Applicants and other co-owners are actively considering their options, impacts on the project, and course of action in light of these events. Accordingly, Applicants respectfully request that the Commission suspend the procedural schedule and further proceedings, including the hearing scheduled for October 1, 2007, and defer further deliberations on the merits in these cases for the present time. While the matter is suspended, Applicants intend to develop a recommendation on how best to conduct further proceedings. Applicants expect to have a recommendation for the Commission to consider no later than October 4, 2007.

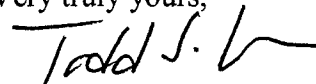
September 17, 2007

Page 2

Last, while Applicants recognize that recent announcements by GRE and SMMPA create some uncertainty, the announcements do nothing to change the fundamental fact that new generation and transmission investment are necessary for North Dakota and regional electric customers. Thus, it remains in all parties' interest that these matters be addressed fairly, but nonetheless expeditiously.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "Todd J. Guerrero". The signature is fluid and cursive, with a prominent horizontal stroke across the middle.

Todd J. Guerrero

TJG/kas

c: Attached Service List

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation, Advance
Determination of Prudence
Application

AFFIDAVIT OF SERVICE

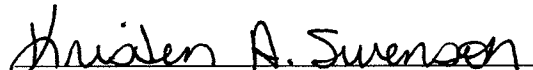
Montana-Dakota Utilities Co.,
a Division of MDU Resources Group,
Inc., Advance Determination of Prudence
Application

Case Nos. PU-06-481, PU 06-482

Kristen A. Swenson, of the City of Minneapolis, County of Hennepin, in the State of Minnesota, being duly sworn on oath says: that on the 17th day of September, 2007, she served the following:

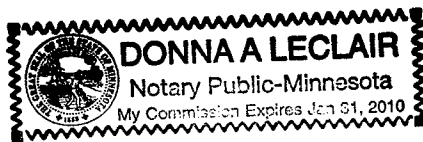
1. Letter to Illona Jeffcoat-Sacco, Executive Secretary, North Dakota Public Service Commission; and
2. An Affidavit of Service.

A copy has also been served upon the attached service list via electronic mail and U.S. Mail.


Kristen A. Swenson

Subscribed and sworn to before me
this 17th day of September, 2007.


Notary Public



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation, Advance
Determination of Prudence
Application

SERVICE LIST

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group,
Inc., Advance Determination of Prudence
Application

Case Nos. PU-06-481, PU 06-482

Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505

Donald R. Ball
Vice President – Regulatory Affairs
Montana-Dakota Utilities Co., a Division of
MCU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501
Don.Ball@MDU.com

Daniel S. Kuntz
Assistant General Counsel
Montana-Dakota Utilities, Co., a Division of
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650
Dan.kuntz@mduresources.com

John W. Breen Jr.
Attorney and Counselor at Law
717 Williams Street
Bismarck, ND 58501-2483
Jwbreen2@bis.midco.net

Mark Trechock
Dakota Resource Council
P.O. Box 1095
Dickinson, ND 58602-1095
mark@drcinfo.com

David Schlissel
Synapse Energy Economics
22 Pearl Street
Cambridge, MA 02139
dschlissel@synapse-energy.com

Carrie La Seur
Plains Justice
319 3rd Street NW
Mount Vernon, IA 52314

Mark Bring
Associate General Counsel
Otter Tail Corporation
215 S. Cascade Street
Fergus Falls, MN 56538-0496
mbring@ottertail.com