

John William Breen Jr
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September 24, 2007

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Attorney Todd Guerrero
Lindquist and Vennum
4200 IDS Center
80 South Eighth St
Minneapolis MN 55402-2272

Re Advanced Determination of Prudence
PU 06-482, PU 06- 481
Big Stone II

Dear Ms. Jeffcoat-Sacco and Attorney Guerrero,

Please accept my apology for a delay with this response.
I have just returned from an east coast vacation.

I am in receipt of Attorney Guerrero's letter dated
September 17, 2007.

The NDPSC per an order of ALJ AL Wahl has set down a
further proceeding in this matter for October 1, 2007,
and a pretrial conference, before him, on September 25,
2007.

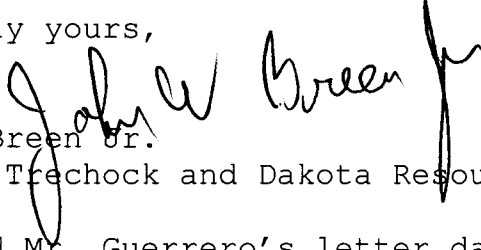
Attorney Guerrero requests in his letter a suspension of
all proceedings until he can submit a recommendation on how
to proceed in this matter following the disclosure that GRE
and SMMA have withdraw from the Big Stone II proposal.

With the permission of Judge Wahl and the commissioners,
Intervener's will agree to allow a new date to be set for
the hearing ordered by ALJ AL Wahl, **only** if Attorney Todd
Guerrero agrees that all and any claims under NDCC 49-05-
16-2 are waived by applicants, and further that the NDPSC

in this matter only, shall have the power to set a reasonable schedule as to a publication date for a decision after continued hearings in this matter.

Attorney Guerrero's signature below will indicate all applicants including, MDU and OTP, accept this agreement, which will take effect when Attorney Guerrero files this signed agreement with the executive secretary of the NDPSC.

Very truly yours,



John W. Breen Jr.
For Mark Trechock and Dakota Resource Council

Attached Mr. Guerrero's letter dated September 17, 2007
Attached is a an affidavit of service of this letter
by electronic mail to all the parties.

Agreed

Attorney Todd Guerrero

Dated

LINDQUIST & VENNUM P.L.L.P.

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ATTORNEYS AT LAW

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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.

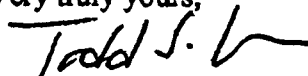
LINDQUIST & VENNUM P.L.L.P.

September 17, 2007
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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,



Todd J. Guerrero

TJG/kas

c: Attached Service List

mbring@ottertail.com

to

Daniel Kuntz Assistant General Counsel MDU Resources
Group Inc.

PO Box 5650 Bismarck, ND 58506-5650

Dan.Kuntz@mduresources.com

to

Attorney William Binek of the North Dakota Public Service
Commission

State Office Building Bismarck, ND 58505-0480

wbinek@nd.gov

to

Attorney Todd Guerrero

Lindquist and Vennum

4200 IDS Center

80 S. 8th St

Minneapolis, MN

tguerrero@Lindquist.com

to

Attorney Carrie La Seur

Plains Justice

PO Box 153

319 3rd St

Mount Veron, Iowa 52314

claseur@plainsjustice.org

to

Attorney Illana Jeffcoat-Sacco

Office of the North Dakota Public Service Commission

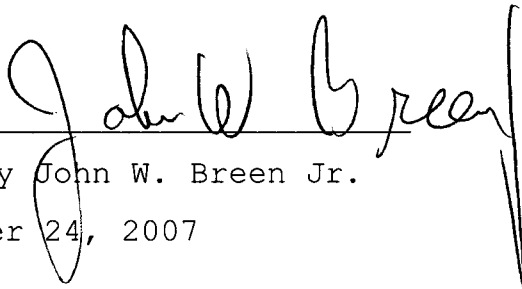
State Office Building, Bismarck ND 58505-0480

ilj@nd.gov

to Lori D Anderson
Office of the North Dakota Public Service Commission
State Office Building Bismarck, ND 58505-0480
ldanderson@d.gov

which is the last know address of the parties.

The above letter to the Executive Secretary of the NDPSC
was served by electronic mail on September 3, 2007 to the
above parties at the above electronic mail addresses.

A handwritten signature in cursive script that reads "John W. Breen Jr.". The signature is written over a horizontal line.

Attorney John W. Breen Jr.

September 24, 2007