

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation
230 kV Transmission Line Reroute Richland County
Siting Application

Case No. PU-07-766

ORDER

March 6, 2008

On November 28, 2007 Otter Tail Corporation (Otter Tail) filed a Letter of Intent to reroute a 0.64 mile portion of its Hankinson-Ellendale 230 kV transmission line located in water near Sand (Grass) Lake, west and north of Lidgerwood in Sections 31 and 32 of Township 131 North (Dexter), Range 52 West and Section 6 of Township 130 North (Grant), Range 52 West in Richland County, North Dakota.

On December 14, 2007 the Commission acknowledged Otter Tail's Letter of Intent, assessed a filing fee of \$5,000, and shortened the one-year waiting period between filing a letter of intent and a siting application to one day.

On January 23, 2008, Otter Tail filed an application for a waiver of procedures and time schedules, requesting that the Commission waive the requirement for filing of applications for a certificate of corridor compatibility and route permit and public hearings and forthwith issue a certificate and route permit authorizing the proposed construction and relocation. Otter Tail asserts that the proposed reroute will produce only minimal adverse effects and that a demonstrable emergency exists that requires construction before the existing line structures can be damaged by spring ice flows.

On February 6, 2008 the Commission issued a Notice of Filing and Notice of Opportunity for Hearing, which provided until March 5, 2008 for receiving written comments or requests for hearing. No response has been received. The notice identified the following issues to be considered:

1. Will the location, construction, and operation of the proposed transmission line produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Is the proposed transmission line compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed transmission line reroute 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 the proposed transmission line of such length, design, location, or purpose that it will produce minimal adverse effects so that procedures and time schedules may be waived?
5. Does a demonstrable emergency exist which requires immediate construction so that adherence to procedures and time schedules would jeopardize the utility's system?
6. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

Otter Tail's Hankinson to Ellendale transmission line is an integral component of the regional 230 kV transmission system integrating base load generation from the Big Stone Plant in eastern South Dakota and the Hoot Lake Plant in western Minnesota and wind generation in southern North Dakota while serving loads in southeastern North Dakota, northeastern South Dakota and Western Minnesota.

Otter Tail reports that Sand (Grass) Lake has expanded so that structures from its Hankinson to Ellendale transmission line that were once adjacent to the lake are now well within the lake water. Otter Tail is concerned that the effect of high water conditions, seasonal ice flows and high winds during spring months, in conjunction with the fragile condition of the existing facility, constitute an emergency that requires immediate construction such that adherence to procedures and time schedules would jeopardize Otter Tail's 230 kV high-voltage network.

The estimated cost of the relocation is approximately \$260,000.

The U.S. Fish and Wildlife Service reviewed the project and concluded it will have no significant impact on fish and wildlife resources. The Service reports no endangered or threatened species are known to occupy the project area.

The North Dakota Game and Fish Department reviewed the project and does not believe it will have significant adverse effects on wildlife or wildlife habitat, including endangered species, provided no wetland acres are impacted during construction.

The North Dakota Parks and Recreation Department reviewed the project and concluded that it does not affect state park lands it manages or Land and Water Conservation Fund recreation projects it coordinates. The Department reviewed the North Dakota Natural Heritage biological conservation database and found no known occurrences of any plant or animal species of concern or other significant ecological communities within or adjacent to the project area.

The State Historical Society of North Dakota reviewed the project and found no significant sites affected and no cultural resource survey warranted.

The North Dakota Department of Health reviewed the project and believes that environmental impacts from construction will be minor and can be controlled by proper construction methods.

The North Dakota Department of Transportation (ND DOT) reviewed the project and concluded no adverse effect on ND DOT highways.

The Natural Resources Conservation Service reviewed the project and found that the federal Farmland Protection Policy Act does not apply.

The North Dakota State Water Commission staff reviewed the project and concluded that the property is not located in an identified flood plain and believes the project will not affect an identified flood plain.

The Commission finds the location, construction, and operation of the proposed transmission line reroute will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

The Commission finds the proposed transmission line reroute compatible with the environmental preservation and the efficient use of resources.

The Commission finds the proposed transmission line reroute minimizes 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.

The Commission finds the proposed transmission line reroute is of such length, design, location, or purpose that it will produce minimal adverse effects so that procedures and time schedules may be waived.

The Commission finds a demonstrable emergency exists, which requires immediate construction so that adherence to procedures and time schedules would jeopardize the utility's system.

The Commission finds it appropriate to waive procedures and time schedules as requested in the application.

Order


The Commission Orders:

1. Otter Tail's Application for Waiver of Procedures and Time Schedules is granted.
2. Certificate of Site Compatibility for a Transmission Facility Corridor No. 102 is issued to Otter Tail.
3. Route Permit for Construction of a Transmission Facility No. 112 is issued to Otter Tail granting authority to construct the proposed transmission line reroute.
4. Otter Tail shall conduct a preconstruction conference prior to commencement of any construction, and must include an Otter Tail representative, its construction supervisor, and a representative of the Commission staff in order to ensure that Otter Tail fully understands the conditions set forth in this Order.
5. Otter Tail shall comply with the rules and regulations of all other agencies having jurisdiction over any phase of its proposed transmission line reroute 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 reroute.
6. Otter Tail shall inform the Commission of its intent to start construction on the transmission line reroute prior to the commencement of construction and, once construction has started, Otter Tail shall keep the Commission updated of construction activities on a weekly basis.
7. Otter Tail shall construct and operate the transmission line in the manner described in its application and at the hearing, and in accordance with all applicable safety requirements.
8. Otter Tail 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 that Otter Tail becomes aware of and which were not previously reported to the Commission.
9. If any cultural resource, paleontological site, archeological site, historical site, or gravesite is discovered during construction, it must be marked, preserved and protected from any further disturbance 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 during construction must be restored to their original condition.

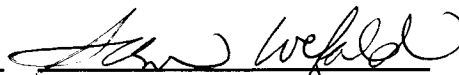
11. Construction must be suspended when weather conditions are such that construction activities will cause irreparable damage, unless adequate protection measures approved by the Commission are taken.
12. Reclamation along the right-of-way must be continuous and coordinated with construction.
13. Reclamation, fertilization and reseeding is to be done by Otter Tail according to the Natural Resource Conservation Service and County Farm Service Agency recommendations for CRP, native prairie and other lands unless otherwise specified by the landowner and approved by the Commission.
14. Otter Tail's obligations for reclamation and maintenance of the right-of-way shall continue throughout the life of the transmission line.
15. Any trees and other wooded vegetation must be replaced at a rate of two for every one removed along the route. Landowners shall be given the option of having replacement trees/shrubs planted off the right-of-way on the landowners' property or waiving that requirement in writing and allowing Otter Tail to plant replacement trees/shrubs elsewhere. Otter Tail shall inspect any tree replacements once a year for three years and send a report on or shortly before October 1 of 2009, 2010 and 2011 to the Commission documenting work completion and condition of any woodlands planting. The Commission may order additional plantings if survival rates are less than 75% of the required ratio of two for one.
16. Otter Tail shall provide the Commission with copies of design specifications for construction of the transmission line reroute showing the location as built.
17. Otter Tail shall work with landowners and residents to mitigate any increase in television and residential radio interference that results from the transmission line reroute.
18. Otter Tail shall work with landowners to determine and implement appropriate damage mitigation measures.
19. Otter Tail shall repair or replace all fences and gates removed or damaged during all phases construction and operation of the proposed transmission facility.
20. Otter Tail shall obtain approval from the Commission or Commission staff prior to any changes in structure locations.
21. 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.

22. After the corridor and route certificates have been issued and all costs of hearings, publication, and any other related expense have been paid from the application fee, the Commission shall refund all but \$5,000.00 of the remaining application fee. If the balance of the application fee at that time is less than \$5,000.00 the Commission shall retain the entire amount. When construction and reclamation are complete and when the Commission has concluded that Otter Tail's tree mitigation project is satisfactory, the remaining balance of the application fee shall be refunded.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Susan E. Wefald
President



Kevin Cramer
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

**Certificate of Site Compatibility for a Transmission Facility
Corridor**

Certificate Number 102

This is to certify that the Commission has designated a transmission facility corridor for Otter Tail Corporation, which is described as follows:

A reroute of a portion of the existing Hankinson to Ellendale 230 kV transmission line beginning in the SW 1/4 of Section 32, T 131 N, R 52 W and proceeding southwesterly around the northwest shore of Sand (Grass) Lake for approximately 0.68 miles to a point along the north section line in Section 6, T 130 N, R 52 W in Richland County, North Dakota.

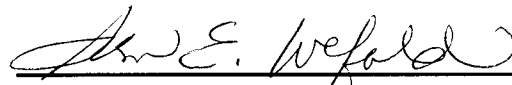
This certificate is issued in accordance with the Order of this Commission dated March 6, 2008 in Case No. PU-07-766 and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, March 6, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner

STATE OF NORTH DAKOTA

Route Permit

Certificate Number 112

This is to certify that the Commission has designated a transmission facility route for Otter Tail Corporation to relocate approximately 0.68 miles of existing 230-kilivolt electric transmission line. The relocated route is described as:

A reroute of a portion of the existing Hankinson to Ellendale 230 kV transmission line beginning in the SW 1/4 of Section 32, T 131 N, R 52 W and proceeding southwesterly around the northwest shore of Sand (Grass) Lake for approximately 0.68 miles to a point along the north section line in Section 6, T 130 N, R 52 W in Richland County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated March 6, 2008 in Case No. PU-07-766 and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, March 6, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner