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OCT 24 2008

October 21, 2008

PUBLIC SERVICE COMMISSION

Illona A. Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, North Dakota 58505-0480

RE: Minnesota Power's Proposed Wind Energy Conversion Facility and associated 230 kV Transmission Line Project - Letter of Intent to Construct Energy Conversion Facility and Transmission Facility and Request for Waiver from One-Year Time Requirement for Filing Letter of Intent

Dear Ms. Jeffcoat-Sacco:

Minnesota Power is pleased to announce its plans to construct a wind energy conversion facility and an associated 230 kV transmission line near Center, North Dakota, several miles west of the Milton R. Young Station. The purpose of this letter is to: (1) notify the North Dakota Public Service Commission ("Commission") of Minnesota Power's intent to construct the wind energy conversion facility and transmission line as required by N.D.C.C. § 49-22-07.1 and (2) request a waiver of the one-year waiting period established by N.D. Admin. Code 69-06-03-01 between this notification and when applications for a Certificate of Site Compatibility, Certificate of Corridor Compatibility, and a Route Permit can be submitted. This waiver request is made pursuant to N.D.C.C. § 49-22-07.2.

Specifically, Minnesota Power is proposing to request Commission approval for a 125 MW wind energy conversion facility to be located on reclaimed land previously mined by BNI Coal in Oliver County. Initially, Minnesota Power is planning on building 25 to 75 MW of wind generation for in-service by late 2009 or 2010 with an additional 50 MW of wind generation in about 2012. N.D. Admin. Code 69-06-03-02(3). Since Minnesota Power is planning on eventually exceeding the 100 MW threshold required to obtain approval prior to constructing an energy conversion facility under N.D.C.C. § 49-22-07, Minnesota Power will be seeking approval for the entire 125 MW project. Minnesota Power anticipates initial construction to commence as early as summer 2009, contingent on obtaining all necessary approvals from the Commission and local governments. These approvals will include any separate approvals BNI Coal must obtain from the Commission related to the use of reclaimed land as required under

1 PU-08-848 Filed: 10/24/2008 Pages: 3
Letter of Intent

Allete, Inc.

Eric Norberg, Minnesota Power



1 PU-08-847 Filed: 10/24/2008 Pages: 3
Letter of Intent

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Eric. Norberg, Minnesota Power

Ms. Jeffcoat-Sacco
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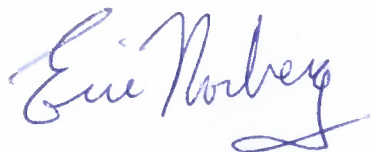
N.D.C.C. Chap. 38-14.1. In addition, to interconnect this project, Minnesota Power is planning to construct a 230 kV transmission line along a corridor approximately 5 miles from a new substation at the project to the Square Butte Substation. N.D. Admin. Code 69-06-03-02(3). Attachment A is a map of the proposed project. N.D. Admin. Code 69-06-03-02(2).

All of the wind energy generated and delivered to the Square Butte Substation will be transmitted to Minnesota Power's system via the 250 kV DC Line and AC transmission as available and will be used to meet Minnesota Power's State of Minnesota renewable energy requirements. N.D. Admin. Code 69-06-03-02(1). Minnesota Power estimates that the initial phase of this project that includes 75 MW of wind generation and the five miles of transmission line will cost approximately \$170 million depending on final project design and transmission line right-of-way acquisition. N.D. Admin. Code 69-06-03-02(4).

Minnesota Power expects to file applications in November 2008 in order to obtain all necessary Commission approvals by May 2009. Therefore, Minnesota Power respectfully requests pursuant to N.D.C.C. § 49-22.07.2 that the Commission grant a waiver from the rule requirement that a Letter of Intent be filed at least one year prior to submitting an application for construction of an energy conversion or transmission facility. N.D. Admin. Code. 69-06-0301. The original and ten copies of this waiver application are being filed with the Commission as required by N.D. Admin. Code 69-06-06-01.2.

If you have any questions, or need additional information, please contact me at the above-listed number or Minnesota Power's regulatory attorney, David R. Moeller at 218-723-3963 or dmoeller@allete.com.

Sincerely,

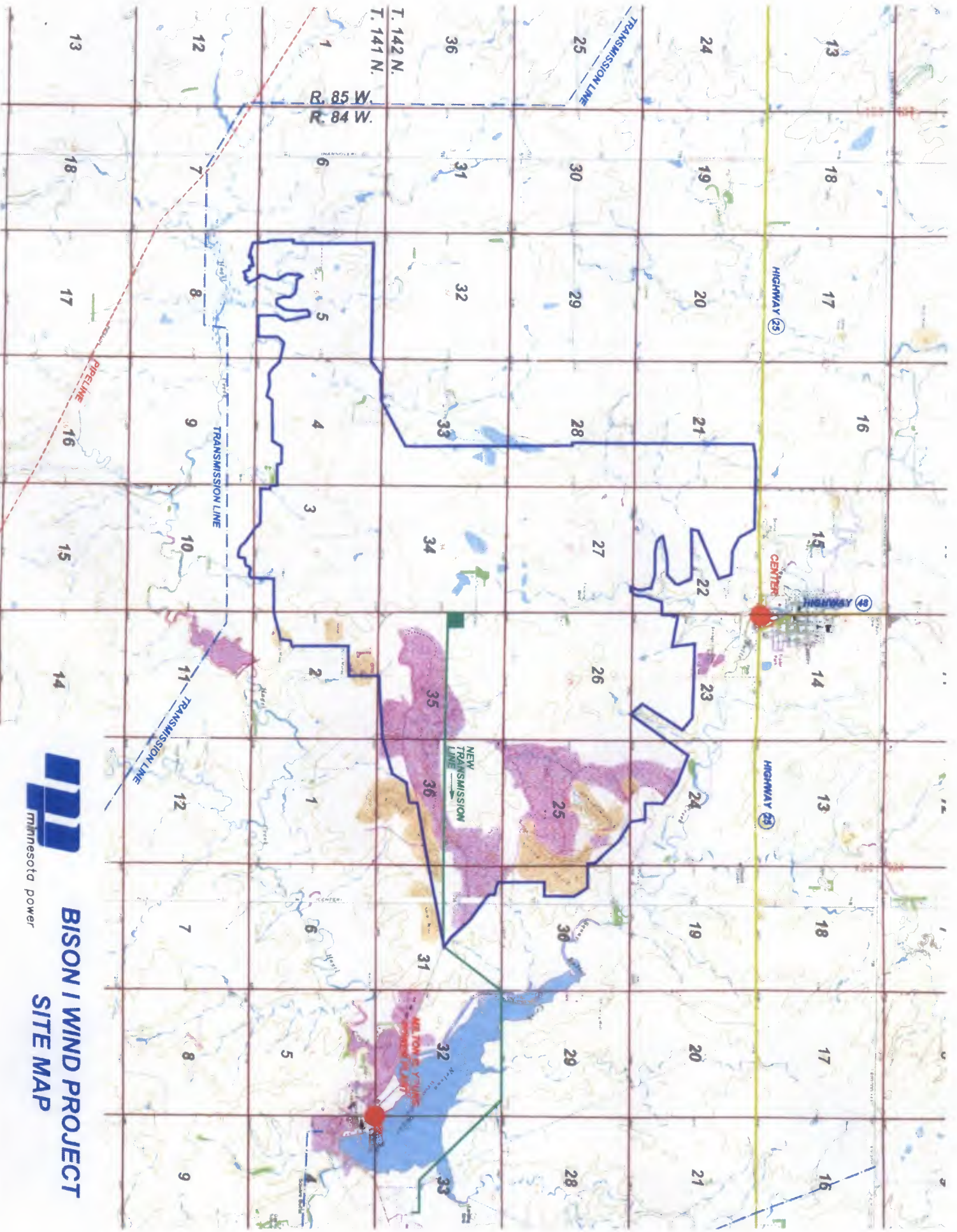


Eric R. Norberg
Senior Vice President
Minnesota Power

ERN:sr

Enc.

cc: Margaret Hodnik
Paul B. Johnson



BISON I WIND PROJECT
SITE MAP