



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

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April 12, 2010

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RE: Otter Tail Power Company  
Advance Determination of Prudence Application – CapX 2020 Group 1  
Case No. PU-09-676

and

Northern States Power Company  
Advance Determination of Prudence Application – CapX 2020 Group 1  
Case No. PU-09-678

Dear Mr. Beall:

As you know, the Commission has received applications for advance determination of prudence for the CapX 2020 Group 1 Transmission Projects. Commission staff is writing to request that the Midwest Independent Transmission System Operator (Midwest ISO) consider intervening as a formal party in the above-referenced proceedings.

Applicants are requesting an advance determination of prudence for the construction of four high-voltage transmission line projects:

- A 345 kV line and associated equipment between Fargo, North Dakota and the Northwestern quadrant of the Twin Cities, Minnesota;
- A 345 kV line, associated system connections, and equipment between eastern South Dakota and the Southeast quadrant of the Twin Cities, Minnesota;
- A 345 kV line and associated system connections and equipment between the Southeast quadrant of the Twin Cities, Minnesota to La Crosse, Wisconsin; and
- A 230 kV line and associated equipment between Bemidji and Grand Rapids, Minnesota.

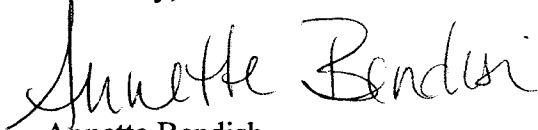
The record in this proceeding will include information and data that is directly impacted by, directly pertinent to or based on information and data gathered, compiled or generated by the Midwest ISO. The Commission, will be looking closely at this information and will be seeking expert explanations and information regarding this expected record evidence. For the reasons stated above, Commission Advisory staff urges the Midwest ISO to intervene as a formal Party in this case for informational purposes and also to consider providing an Expert Witness to sponsor testimony providing further explanations during the course of this proceeding. The Midwest ISO does not need to advocate for or against the project.

The purpose of the Midwest ISO's involvement, is to provide clear impartial background information, where needed, regarding electric transmission operations, markets and industry challenges as well as information directly pertinent to this case. I think that you will agree that in its oversight and planning role as the independent transmission system operator of the bulk transmission system in the Midwest region, together with its considerable overall energy expertise, the Midwest ISO is uniquely positioned to assess or comment on electric transmission proposals such as this.

The intervention deadline is April 16, 2010. The law regarding intervention in administrative proceedings is North Dakota Century Code 28-32-28 and the Commission's rule is North Dakota Administrative Code section 69-02-02-05. The hearing is scheduled for May 24 and 25 in the Commission Hearing Room, Enclosed is the Notice of Hearing. The hearing notice is enclosed.

Thank you for your consideration, and please feel free to contact me with any questions you may have.

Sincerely,



Annette Bendish  
Legal Counsel, Commission Advisory Staff

c: Mark Bring, Otter Tail Power Company  
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STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company  
Advance Determination of Prudence - CapX2020 Group 1  
Application**

Case No. PU-09-676

**Northern States Power Company  
Advance Determination of Prudence - CapX2020 Group 1  
Application**

Case No. PU-09-678

**NOTICE OF HEARING**

**March 24, 2010**

On October 5, 2009, Otter Tail Power Company (Otter Tail) filed an application for advance determination of prudence of Otter Tail's participation and ownership in three high-voltage transmission line projects, Case No. PU-09-676:

- A 250-mile long, 345 kV transmission line between Fargo, North Dakota and the northwest quadrant of the Twin Cities, Minnesota.
- A 200-mile long, 345 kV transmission line between eastern South Dakota and the southeast quadrant of the Twin Cities in Minnesota.
- A 68-mile long, 230 kV transmission line between Bemidji, Minnesota and Grand Rapids, Minnesota.

On October 5, 2009, Northern States Power Company (NSP) filed an application for advance determination of prudence of NSP's participation and ownership in the same three high-voltage transmission line projects and, in addition, a 150-mile long, 345 kV transmission line between La Crosse, Wisconsin and the southeast Twin Cities, Minnesota area and two associated 161 kV lines in the Rochester, Minnesota area, Case No. PU-09-678.

Otter Tail and NSP are requesting that the Commission determine the construction of the transmission projects to be reasonable and prudent in order to provide the basis for future rate stability proposals the companies may present to the Commission.

Anyone wishing to become a party to this proceeding must file a **Petition to Intervene by April 16, 2010.**

**A consolidated public hearing on these two cases will be held beginning May 24, 2010 at 8:30 a.m. in the Commission Hearing Room, State Capitol, 12th Floor,**

12 **PU-09-676** Filed: 3/24/2010 Pages: 2  
Notice of Hearing

11 **PU-09-678** Filed: 3/24/2010 Pages: 2  
Notice of Hearing

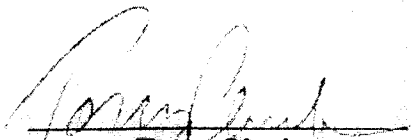
Bismarck, North Dakota 58505. You can listen to a broadcast of the hearings on the Commission's website at <http://www.psc.state.nd.us/psc/media/comm-live.html>.

Issues to be considered in each case are:

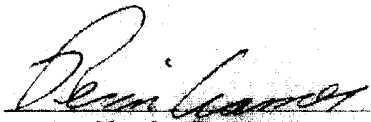
1. Whether the resource addition is reasonable and prudent.
2. Whether the applicants have need for additional transmission resources.
3. What alternatives exist for meeting additional transmission needs.

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 contact the Commission at least 24 hours in advance.

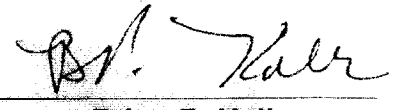
### PUBLIC SERVICE COMMISSION



**Tony Clark**  
Commissioner



**Kevin Cramer**  
Chairman



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Commissioner