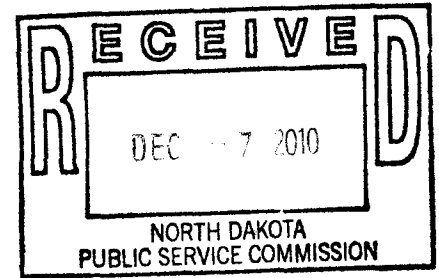


STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION



Coteau Properties Company
Notice of Violation No. 1004

Case No. RC-10-598
OAH File No. 20100364

PREHEARING CONFERENCE SUMMARY

December 6, 2010

A telephone prehearing conference was held on December 6, 2010, originating from the administrative law judge's (ALJ's) office. Besides the designated ALJ, present were legal counsel for the Public Service Commission Staff, Mr. Mark Gruman, and legal counsel for Coteau Properties Company, Mr. Brian Bjella. Also present for the Commission were Mike Berg, Dean Moos, and Jim Deutsch, as well as Commission General Counsel, Illona Jeffcoat-Sacco. Also present for Coteau was attorney Christopher Friez.

At the prehearing conference, counsel discussed with the ALJ matters involved in this administrative action, including discovery, issues, witnesses, documentary evidence, anticipated motions, and other preliminary matters. Opportunity was given counsel to discuss any problems or concerns confronting them. The prehearing conference was digitally recorded.

The issues identified were as follows:

1. Allegation of erroneous location cited in NOV 1004.

It was stated in Coteau's Request to Vacate Notice of Violation, or in the Alternative, Application for Formal Hearing by the Coteau Properties Company filed October 28, 2010, that the legal description of the lands to which NOV 1004 applies is in error. On November 2, 2010, the Commission's Reclamation Division issued a Modification of Notice of Violation correcting the legal description in NOV 1004, which was served on Coteau. The Notice of Formal Hearing was issued by the Commission on November 24, 2010, after the modification, citing to NOV 1004. At the prehearing conference, Mr. Gruman agreed that Commission staff would seek to have formal action on Coteau's motion to vacate, prior to the formal hearing. Notwithstanding the motion to vacate and pending a ruling on that motion, the formal hearing will still be held as scheduled, on December 17, 2010.

2. Allegation of violation of N.D. Admin. Code § 69-05.2-16-08 (1)(c).

This allegation will be determined by the evidence presented at the hearing.

3. Allegation of violation of N.D. Admin. Code § 69-05.2-24-01 (2)(a).

This allegation will be determined by the evidence presented at the hearing.

4. Penalties for Violation.

If the allegations of issues 2 and 3 above are proven by the evidence at the hearing, the appropriate penalty for violation is in issue. In that regard, evidence may be offered (and admitted) at the hearing in regard to the four factors of N.D.C.C. § 38-14.1-32 (1)(a)-(d).

Counsel agreed to exchange exhibits to be offered at the hearing and to inform the ALJ prior to the hearing whether they will agree to stipulate to foundation for the exhibits to be offered.

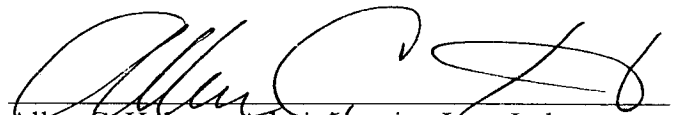
The Commission Staff indicated that it will call three witnesses. Coteau indicated that it will call three, possibly four witnesses. Counsel exchanged names of the witnesses to be called.

The parties agreed to file simultaneous closing written statements (briefs) and simultaneous closing written response statements (briefs). After the filing of response briefs, the hearing will be closed subject to the filing by the Commission of its written order in this matter, within thirty days of hearing closure. The parties will file proposed findings of fact and conclusion of law, and a proposed order with the filing of their response briefs. The deadlines for the filing of briefs and proposed findings, conclusions, and order will be determined at the hearing on December 17, 2010.

Dated at Bismarck, North Dakota, this 6th day of December 2010.

State of North Dakota
Public Service Commission

By:



Allen C. Hoberg, Administrative Law Judge
Office of Administrative Hearings
1707 North 9th Street
Bismarck, North Dakota 58501
Telephone: (701) 328-3260

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Coteau Properties Company
Notice of Violation No. 1004

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the **PREHEARING CONFERENCE SUMMARY** was mailed, regular mail, on the 6 day of December 2010, to:

Brian Bjella
Crowley Fleck
P.O. Box 2798
Bismarck, ND 58502-2798

and that a true and correct copy of the above document was mailed, inside mail, at the State Capitol on the 6 day of December 2010, to:

Mark Gruman
Legal Counsel
Public Service Commission
600 East Boulevard Avenue
Bismarck, ND 58505

OFFICE OF ADMINISTRATIVE HEARINGS
Allen C. Hoberg, Administrative Law Judge



Louise Wetzel