

November 22, 2010

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VIA HAND DELIVERY

PUBLIC SERVICE COMMISSION

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

RE: Letter of Intent to Submit Application for a Certificate of Site Compatibility for M-Power One, LLC's Luverne Northfield Extension Wind Energy Project, and Request for Waiver of One-Year Notice Period

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten (10) copies of M-Power One, LLC's Letter of Intent to submit an application for a Certificate of Site Compatibility for its Luverne Northfield Extension Wind Energy Project. Also enclosed herewith is a disk containing the same in PDF format.

Should you have any questions, please advise.

Sincerely,



MOLLIE M. SMITH

MMS/ms
Enclosure

cc: Mr. Warren Enyart (w/ *encl.* – via e-mail)
Mr. Grady Wolf (w/ *encl.* – via e-mail)

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1 **PU-10-632** Filed: 11/23/2010 Pages: 5
Letter of Intent

M-Power, LLC

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RE: Letter of Intent to Submit Application for a Certificate of Site Compatibility for M-Power One, LLC's Luverne Northfield Extension Wind Energy Project, and Request for Waiver of One-Year Notice Period

Dear Mr. Nitschke:

M-Power One, LLC ("M-Power One"), a North Dakota limited liability company and a wholly owned subsidiary of M-Power, LLC, is filing this Letter of Intent ("LOI") to submit an application for a Certificate of Site Compatibility for a wind energy conversion facility pursuant to Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code. The proposed wind energy conversion facility will be known as the Luverne Northfield Extension Wind Energy Project ("Project") and will be located in Steele County, North Dakota.

Waiver Request

M-Power One requests a waiver from Section 69-06-03-01 of the North Dakota Administrative Code, which establishes a one-year notice period between filing the LOI and filing an application for a Certificate of Site Compatibility. Pursuant to Section 69-06-03-01, the Commission may approve a shorter notice period, and M-Power One requests that the one-year notice period be shortened from one year to six months.

In order to have an economically viable project, M-Power One needs to be able to utilize the Federal Production Tax Credit ("PTC"), which is set to expire at the end of 2012. In order to qualify for the PTC, the Project must be operational by the end of 2012. Also, during Project development, M-Power One needs to meet certain milestones, including obtaining required permits, in order to secure financing for the Project, which is essential to being able to obtain turbines and other long lead-time equipment necessary to construct the Project. For these reasons, M-Power One requests a waiver of the one-year notice period in order to allow adequate time to receive permits, secure financing and complete construction of the Project by the end of 2012.

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As required by Section 69-06-03-02 of the North Dakota Administrative Code, M-Power One provides the following information regarding the proposed Project:

Size and Type of Facility

The proposed Project is a wind energy conversion facility and its footprint consists of approximately 17,000 acres of land located in Steele County, North Dakota, north of the existing Luverne Wind Farm. M-Power One anticipates that the Project will consist of up to 97 wind turbines, totaling up to approximately 145.5 MW of wind energy capacity, based on utilizing a 1.5 MW turbine. M-Power One continues to assess its turbine options and may ultimately select a turbine model with a greater per turbine output (*e.g.*, a 2.3 MW turbine), which may result in a greater total capacity for the Project. The proposed Project may interconnect to the grid via one of several potential points of interconnection, but the specific point(s) of interconnection have not yet been determined.

Area to be Served

While M-Power One has not yet identified the specific area or areas to be served by the Project, M-Power One anticipates that at least a portion of the Project's output will serve the needs of one or more regional utilities and their customers. As existing transmission constraints are addressed, any remaining portion of the Project's output will likely serve the needs of one or more utilities located within the Midwest Independent Transmission System Operator ("MISO") service territory, the Western Area Power Administration ("WAPA") service territory, or within a service territory adjacent to either the MISO or WAPA service territories.

Map of the Study Area for the Proposed Site

Attached hereto as **Exhibit A** is a map that depicts the study area for the proposed Project site.

Anticipated Construction and Operation Schedule

M-Power One plans for the Project to be operational by the end of 2012. M-Power One proposes to develop the Project on the following schedule:

- Second Quarter 2011 – File an application with the Commission for a Certificate of Site Compatibility. In addition, M-Power One will, as needed, file applications for conditional use permits with local permitting authorities.
- Third Quarter 2011 – The Commission and the local permitting authorities grant appropriate certificates and permits for the Project.
- Second Quarter 2012 – Begin construction of the Project.

- Fourth Quarter 2012 – Complete construction of the Project.

Estimated Total Cost of Construction

The total cost of the proposed Project is estimated to be approximately \$262 million.

We look forward to working with the Commission on this matter. If you have any questions regarding the proposed Project or this Letter of Intent, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mollie M. Smith". The signature is written in black ink and is positioned above the printed name.

MOLLIE M. SMITH

MMS/mms
Encl.

Luverne Northfield Extension Wind Farm Project Location ~ Steele County, North Dakota

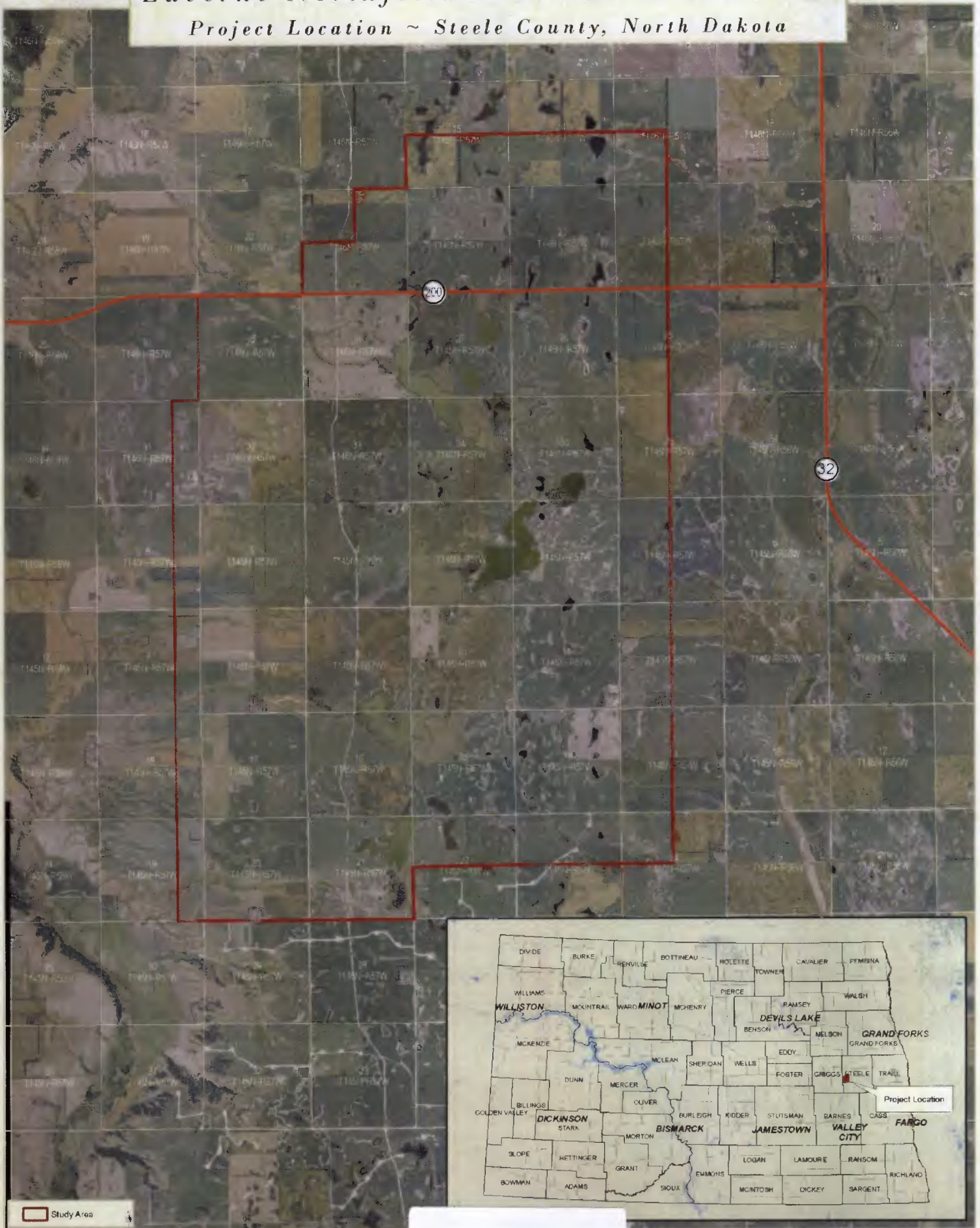


Exhibit A