GREAT RIVER ENERGY®

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June 20, 2012

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

RE: Letter of Intent to Submit Application for a Combined Certificate of Corridor Compatibility and a Route Permit for Great River Energy's Proposed 230 kV Transmission Line Reroute Project, and Request for a Waiver of the One-Year Notice Period.

Dear Mr. Nitschke:

Great River Energy is filing this Letter of Intent ("LOI") to submit an application for a combined Certificate of Corridor Compatibility and Route Permit for re-routing a portion of a 230 kV transmission line between Grand Forks and Devils Lake (GD 230 kV) pursuant to Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code. The GD 230 kV transmission line is the last 80 miles of a 240 mile transmission line that was constructed in 1966 as an outlet for the 189 MW lignite coal steam generating plant in Stanton, with interconnecting load centers at Devils Lake, Minot and Grand Forks, North Dakota.

At the time of the initial construction in 1966, the area was much drier than at the present time. Wetter than normal hydrologic conditions have created high water in several basins along the transmission line, resulting in compromised clearances under portions of the GD 230 kV transmission line. Recent surveys have identified two such segments, Segment 7 and Segment 8 (see Figure 1), where the clearances have been compromised. Great River Energy proposes to relocate the existing structures out of these slough areas.

With respect to the right-of-way for the proposed reroute areas, Great River Energy plans to acquire easements from those landowners within the proposed transmission line reroute corridor ultimately approved by the North Dakota Public Service Commission.

Waiver Request

Great River Energy requests a waiver from Section 69-06-03-01 of the North Dakota Administrative Code, which establishes a one-year notice period between filing a LOI and filling the application for a Certificate of Corridor Compatibility and a Route Permit. Pursuant to Section 69-06-03-01, the Commission may approve a shorter notice period. As such, Great River Energy requests that the one-year notice period be shortened to forty-five (45) days. Great River Energy is requesting this waiver of the one-year notice period to allow adequate time to permit and construct the transmission line during the upcoming winter.

GD 230 kV Transmission Line

As required by Section 69-06-03-02 of the North Dakota Administrative Code, Great River Energy provides the following information regarding the proposed GD 230 kV transmission line reroute project.

Size and Type of Facility

The proposed rerouted transmission line in each segment will be a 230 kV line that varies in length from 1.5 miles to 2 miles. The total length of the two rerouted segments will be approximately four (4) miles in length. Structure types will be the same as on the existing transmission line, which consists of wood poles with H-frame cross arms and braces. The wood poles would be either cedar or Douglass Fir, pressure treated with Penta. Span lengths will range from 600 to 800 feet.

Area to be Served

The proposed 230 kV GD transmission line reroute segments will not expand or reduce the current service areas.

Map of the Study Area for the Proposed Reroute Corridors

The attached Figures 1, 2 and 3 show the locations of Segment 7 and Segment 8; and the two corridors for the proposed rerouted portion of the segments. The Segment 7 corridor is near the City of Lakota and the proposed reroute will occur between Structures 449 and 460 south of the high water area. The

Segment 8 corridor is near the City of Crary and the proposed reroute will occur between Structures 550 and 562 north of the high water area.

Anticipated Construction Schedule

Construction activities will occur during a scheduled outage of the GD transmission line during the Fourth Quarter of 2012 and the First Quarter of 2013.

Estimated Total Cost for Realignment

The estimated total cost to relocate these structures in Segments 7 and 8 is approximately $2, 891,000. This estimate assumes four miles of rerouted line at $704,000 per mile ($2,816,000 in construction costs, including right-of-way easement costs), and approximately 1.5 miles of existing line/structure retirement at $50,000 per mile ($75,000).

We look forward to working with the Commission on the 230 kV GD transmission line reroute. If you have any questions regarding the proposed transmission line reroute or this Letter of Intent, please do not hesitate to contact Carole Schmidt at 763-445-5214.

Sincerely,

GREAT RIVER ENERGY

William R. Kaul

Vice President, Transmission Division

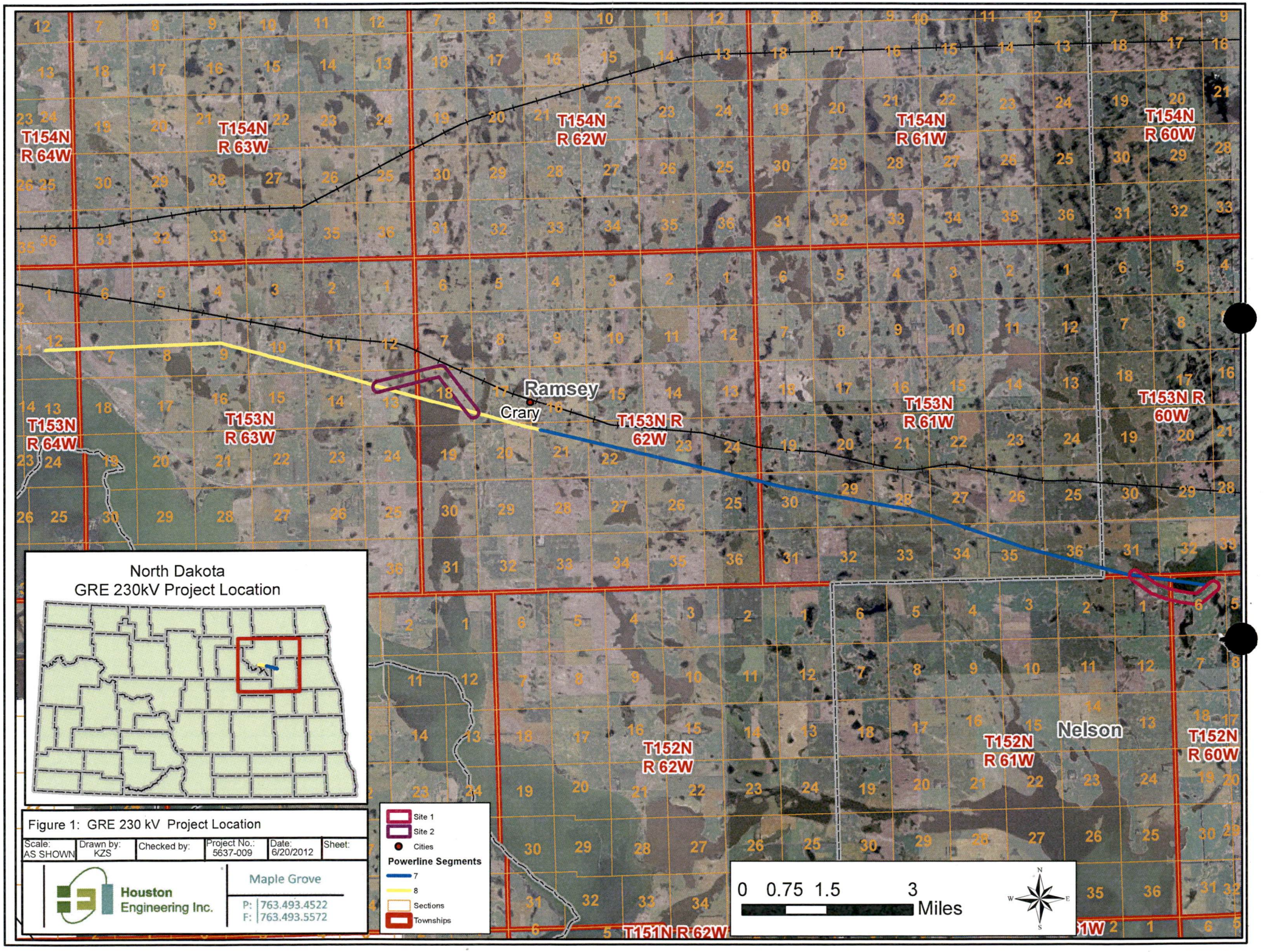

Figure 1: GRE 230 kV Project Location

Scale:	Drawn by:	Checked by:	Project No.:	Date:	Sheet:
AS SHOWN	KZS		5637-009	6/20/2012	

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11
12
7
8
13
18
14
17
24
19
20

T153N
R 63W

T153N
R 62W

Site 2

Powerline Segments

7

8

Sections

Townships

Figure 3: GRE 230 kV Reroute - Site 2

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1 inch = 800 feet

0 400 800 1,600 Feet

N W E S

31

T153N
R 60W

32

33

T152N
R 61W

1

T152N R
60W

6

Other Transmission Line
Corridor Buffer 1000
Powerline Segments
7
8
Sections
Townships

1 inch = 600 feet
0 300 600 1,200 Feet

N
W E
S

Figure 2: GRE 230 kV Reroute - Site 1

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