

TEN YEAR PLAN: 2013-2023

M-Power One, LLC

March 2013

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, M-Power One, LLC (“M-Power One”), submits the following Ten Year Plan for years 2013 through 2023.

- (1) A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.

M-Power One is a North Dakota limited liability company and a wholly owned subsidiary of M-Power, LLC. M-Power One plans to develop an energy conversion facility in Steele County, North Dakota, that will be known as the Luverne Northfield Extension Wind Energy Project (“Project”). The Project will be adjacent to and north of the existing Luverne Wind Farm, which is located in Griggs and Steele Counties, North Dakota. The initial phase of the Project will consist of up to 75.2 megawatts (“MW”) of wind energy capacity. Additional phases, totaling an additional 80 MW, may be constructed in the future, depending on future demand. M-Power One plans to begin construction of the initial phase of the Project before the end of 2013, with an anticipated in-service date in the Third Quarter 2014.

A generation-outlet transmission facility (115 kilovolt (“kV”) or less) may need to be constructed in order to interconnect the Project to the grid. The necessity for, location of and design details regarding such a transmission facility will be determined at a future date.

M-Power One does not have any plans to construct, own or operate any generation or transmission facilities other than the Project and, potentially, a generation-outlet transmission facility interconnecting the Project to the grid. M-Power One does not currently own or operate any facilities. As such, M-Power One does not own or operate any facilities that will be removed from service during the next ten years.

- (2) An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.

As noted above, M-Power One may pursue development of the Project in Steele County, North Dakota. A generation-outlet transmission facility (115 kV or less) may need to be constructed in order to interconnect the Project to the grid. The necessity for, location of and design details regarding a generation-outlet transmission facility will be determined at a future

date. As discussed further below, the Otter Tail Power Company (“OTP”) Colgate 41.6 kV Substation in Cass County, North Dakota, is a potential point of interconnection for the Project, but other interconnection points are being studied.

M-Power One has retained a qualified environmental consulting firm to evaluate the site selected for the proposed Project so as to ensure compliance with the exclusion and avoidance area criteria referenced in Section 49-22-05.1 of the North Dakota Century Code and identified in Chapter 69-06-08 of the North Dakota Administrative Code. A map depicting the study area for the Project is attached as **Exhibit A**. Additional information regarding the proposed Project is provided in the Amended Letter of Intent filed by M-Power One with the North Dakota Public Service Commission concurrently with this Ten Year Plan (*see* Case No. PU-10-632).

- (3) A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.

On August 20, 2011, M-Power One’s parent company, M-Power, LLC, submitted an amended application for interconnection of 50 MW of wind generation at the OTP Colgate 41.6 kV Substation in Cass County, North Dakota, to the Midwest Independent Transmission Systems Operator (“MISO”). M-Power One is currently studying its interconnection options, while MISO is re-evaluating its estimated original interconnection costs and also its cost allocation formula for new generators. Besides the OTP Colgate 41.6 kV point of interconnection, M-Power One is studying other potential wind generation outlets.

M-Power, LLC’s amended interconnection application was filed per the MISO Business Practice Manual 015 for Generator Interconnection. M-Power, LLC’s amended interconnection application and MISO’s administration of the application are consistent with MISO’s Open Access Transmission, Energy and Operating Reserves Market Tariff, as approved by the Federal Energy Regulatory Commission, and per the operating policies of the Electric Reliability Organization designed to facilitate the administration of efficient energy markets.

M-Power One has also commissioned a study to determine which regional utilities may have a need for the wind energy capacity produced by the Project, and to identify various options for transmitting the Project’s output from the Project site to the identified utilities’ respective loads. The study will assist M-Power One in identifying potential off-takers, as well as in its efforts to coordinate selection of the best option(s) for delivering the Project’s output to the destination(s) designated by the ultimate off-taker(s).

- (4) A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.

As noted above, M-Power One has employed a qualified environmental consulting firm to conduct a study of and identify avoidance and exclusion areas within the potential Project site, in accordance with Chapter 49-22 of the North Dakota Century Code and Chapter 69-06-08 of the North Dakota Administrative Code. In addition, the consultant is to identify any areas of concern that would need special attention during siting and/or facility construction. To date, no environmental or siting concerns have been identified that would preclude development within the footprint.

M-Power One has been in contact with the United States Fish and Wildlife Service, the North Dakota Game and Fish Department, and township officials, among others, regarding the proposed Project. Once M-Power One's initial environmental studies have been completed, M-Power One will contact those agencies and officials, as well as other federal, state and local agencies and governmental units, to discuss and seek additional input regarding the proposed Project.

- (5) A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.

M-Power One plans to sell the energy produced by its proposed Project to one or more utilities that need additional renewable energy in order to comply with state and/or, if applicable, federal renewable energy standards and objectives.

In 2007, the North Dakota Legislature enacted a statutory provision adopting the national "25x25" initiative, which establishes a goal of having not less than twenty-five percent of the total energy consumed within the United States come from renewable resources by January 1, 2025.¹ North Dakota also has a statutory goal that ten percent of all electricity sold at retail within the state by the year 2015 be obtained from eligible renewable energy and recycled energy sources.² While many North Dakota utilities are on track to meet their 2015 goals, additional renewable resources will be needed to meet the 25x25 initiative.

In addition, a regional need exists for renewable energy produced in North Dakota. Eleven of the MISO states currently have renewable portfolio standards. MISO estimates that an additional nearly 48 million megawatt hours ("MWh") of renewables will need to be added by

¹ See N.D.C.C. § 17-01-01.

² See N.D.C.C. § 49-02-28.

2021 and approximately 55 million MWh will be needed by 2026 to meet the collective requirements of these standards.³ Given the geographic proximity of M-Power One's proposed Project to the Minnesota market, and M-Power, LLC's existing MISO interconnect request, energy from the proposed Project may be utilized to meet the existing renewable energy needs of one or more utilities in the MISO region, as well as other utilities located in adjacent Regional Transmission Organizations ("RTO")/Independent System Operators ("ISO"), such as Western Area Power Administration ("WAPA"), Pennsylvania, Jersey Maryland Power Pool ("PJM"), or Tennessee Valley Authority ("TVA").

Thus, the renewable energy produced by M-Power One's proposed Project will help meet the significant regional need for renewable energy.

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³ MISO, "Multi Value Project Portfolio Results and Analysis," January 10, 2012, at 19.

Proposed Luverne Northfield Extension Wind Energy Project

Project Study Area

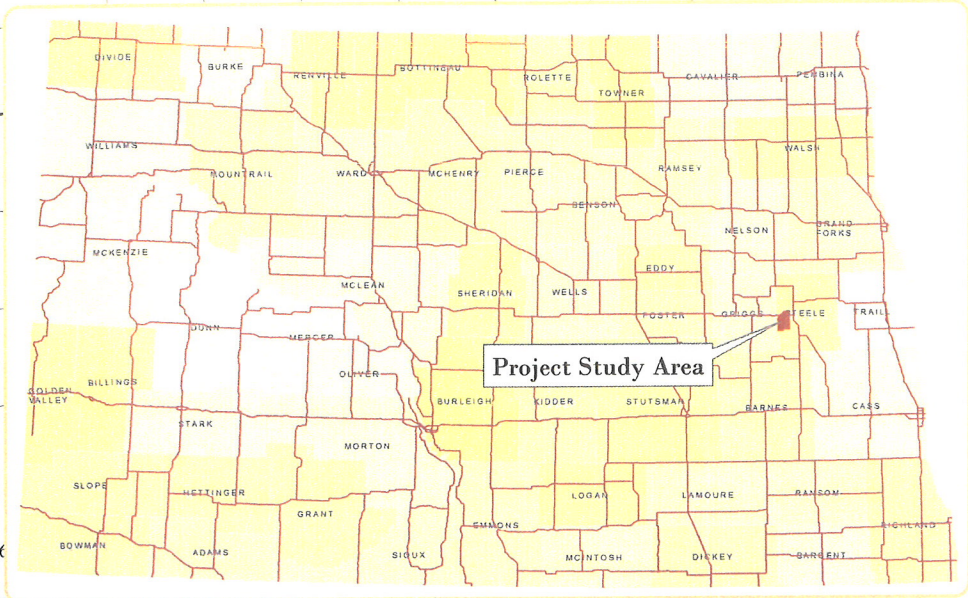
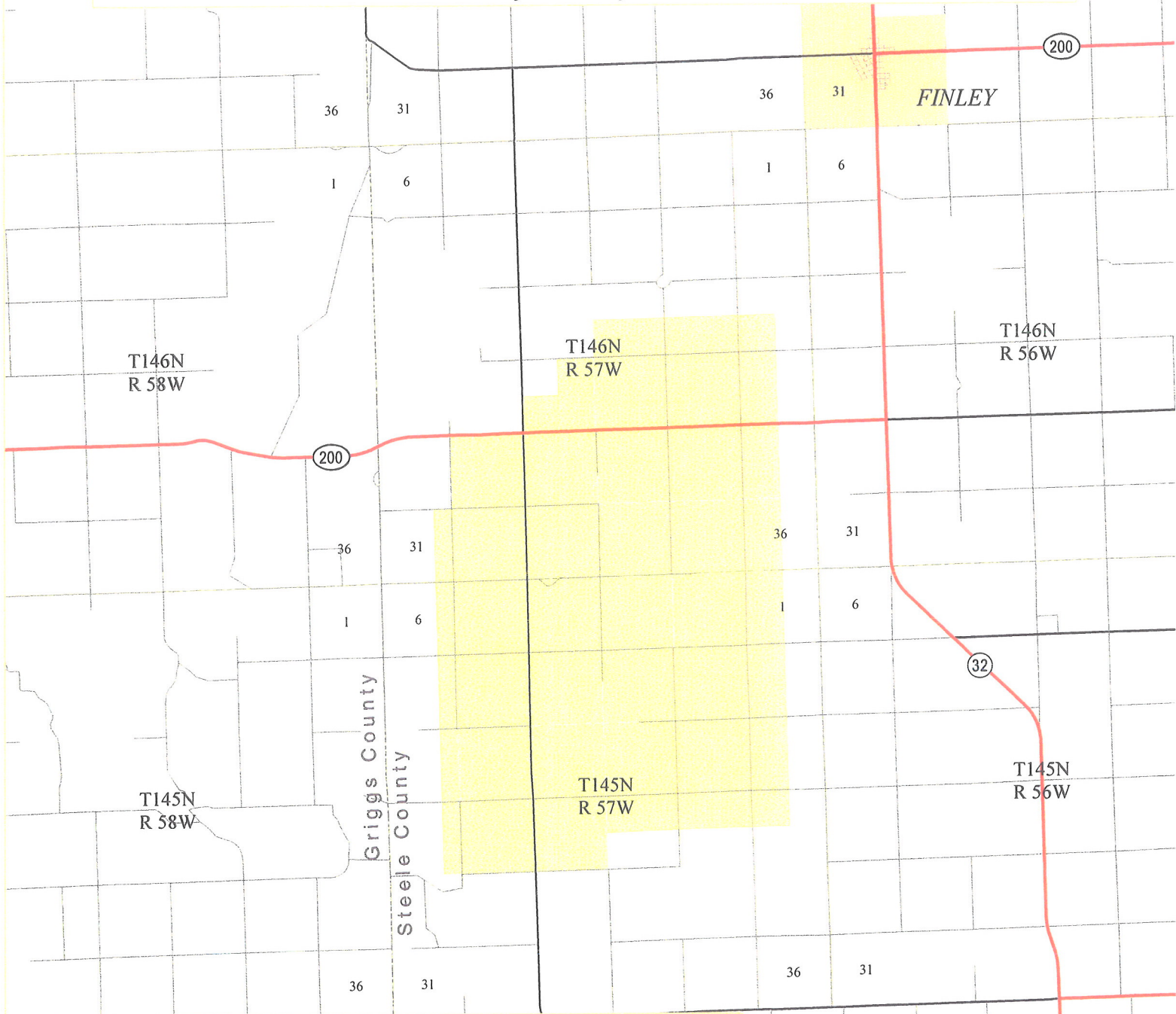


EXHIBIT
A

Proposed Project Study Area

T144N
R 56W

