

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., a Division of MDU
Resources Group, Inc.
345 KV Transmission Line- Ellendale to SD Border
Public Convenience and Necessity**

Case No. PU-13-272

**Otter Tail Power Company
345 kV Transmission Line- Ellendale to SD Border
Public Convenience and Necessity**

Case No. PU-13-273

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Jen Lein deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **27th** day of **September, 2013**, she deposited in the United States Mail, at Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

Order

And Originals of:

Certificate of Public Convenience and Necessity #5819
Certificate of Public Convenience and Necessity #5820

The envelopes were addressed as follows:

Pete Beithon
Otter Tail Power Company
PO Box 496
Fergus Falls, MN 56538-0496

Tamie Aberle
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Cert. No. 7013 0600 0001 7154 5208

Cert. No. 7013 0600 0001 7154 5192

Jen Lein further deposes and says that on the **27th** day of **September, 2013**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes by regular

mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

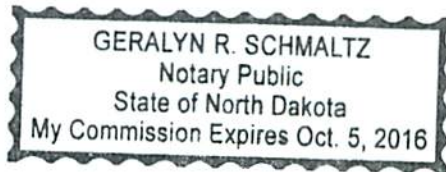
Daniel S. Kuntz
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506-5650

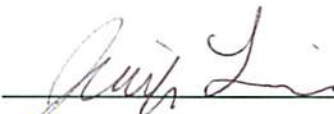
Jennifer Smestad
Otter Tail Power Company
PO Box 496
Fergus Falls, MN 56538-0496

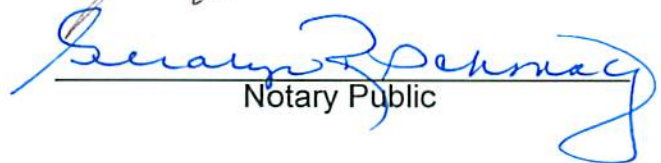
The addresses shown are the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this 27th day of **September, 2013**.

SEAL






Notary Public

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

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ORDER

September 25, 2013

On June 3, 2013 Montana-Dakota Utilities Co. (MDU) filed an application for a Certificate of Public Convenience and Necessity to construct and operate approximately 10 miles of 345 kV electric transmission line and associated facilities from the South Dakota border to a new substation to be constructed near Ellendale, North Dakota (Case No. PU-13-272). Also on June 3, 2013, Otter Tail Power Company (Otter Tail) filed an application for a Certificate of Public Convenience and Necessity to construct and operate approximately 10 miles of 345 kV electric transmission line and associated facilities from the South Dakota border to a new substation to be constructed near Ellendale, North Dakota (Case No. PU-13-273). These applications are for the North Dakota segment of a proposed regional transmission line from a new 345 kV substation to be constructed near Ellendale, North Dakota to the Big Stone South substation in South Dakota.

On July 10, 2013 the Commission consolidated Case Nos. PU-13-272 and PU-13-273 and issued a Notice of Opportunity for Consolidated Hearing. The Notice provided until August 19, 2013 for receiving written comments or requests for hearing. No response was received. The notice identified the following issues to be considered:

1. Whether public convenience and necessity will be served by construction and operation of the facilities.
2. Whether each of the applicants is fit, willing, and able to provide service.

On September 11, 2013 the Commission discussed the these matters with the applicants and commission staff at an informal hearing.

MDU and Otter Tail are regional electric utilities providing generation, transmission and distribution service in North Dakota under the regulatory jurisdiction of this Commission. MDU and Otter Tail are fit, willing and able to provide service.

The North Dakota facilities proposed in these applications are part of the Midcontinent Independent System Operator, Inc.'s (MISO's) Multi-Value Project (MVP) Portfolio. This Big Stone South to Ellendale MVP, in combination with a portfolio of 16 other MVP transmission lines, is expected to reduce the wholesale cost of energy by enabling the delivery of low cost generation to load, reducing transmission line loss and congestion costs, and increasing system reliability. The Big Stone South to Ellendale MVP has been identified in several transmission studies dating back to the formation of the Upper Great Plains Transmission Coalition and the Midwest ISO's Northwest Expansion Study included in the MISO 2005 Midwest Transmission Expansion Plan (MTEP).

MDU and Otter Tail intend to jointly construct and own the Big Stone South to Ellendale MVP. MDU intends to own the substation at Ellendale and approximately 50% of the transmission line with Otter Tail owning the remaining share of the transmission line. The total anticipated project cost is estimated in the range of \$293-\$370 million. MVP revenue requirements are recovered through the MISO tariff and assigned to all electric loads within MISO. MDU's retail North Dakota share represents approximately 0.49% of the total project cost. Otter Tail's retail North Dakota share represents approximately 0.32% of the total project cost.

Having considered this matter, the Commission finds that public convenience and necessity will be served by the construction and operation of the facilities.

Order

The Commission Orders

1. The applications of MDU and Otter Tail for certificates of public convenience and necessity to construct and operate the Ellendale to Big Stone South 345 kV electric MVP transmission line and associated facilities are approved.
2. Certificate of Public Convenience and Necessity No. 5819 is issued to MDU for the Ellendale Substation and MDU's portion of the Ellendale to Big Stone South 345 kV MVP.
3. Certificate of Public Convenience and Necessity No.5820 is issued to Otter Tail for its portion of the Ellendale to Big Stone South MVP.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Brian P. Kalk
Chairman



Julie Fedorchak
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5819

This is to certify that public convenience and necessity require, and permission is granted for Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., to construct, own and operate a new 345 kV substation and approximately 10 miles of 345 kV electric transmission line and associated facilities in Dickey County, North Dakota extending from near Ellendale to the South Dakota border.


This certificate is issued in accordance with the Order of this Commission dated September 25, 2013 in Case No. PU-13-272, and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, September 25, 2013.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5820

This is to certify that public convenience and necessity require, and permission is granted for Otter Tail Power Company to construct, own and operate approximately 10 miles of 345 kV electric transmission line and associated facilities in Dickey County, North Dakota extending from near Ellendale to the South Dakota border.

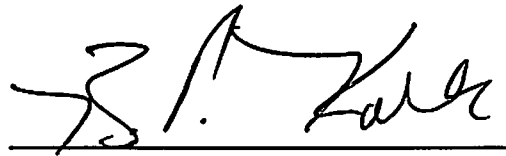
This certificate is issued in accordance with the Order of this Commission dated September 25, 2013 in Case No. PU-13-273, and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, September 25, 2013.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner