

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

MONTANA-DAKOTA UTILITIES CO. /)	Case No. PU-13-840
OTTER TAIL POWER COMPANY 345 kV)	
TRANSMISSION LINE - DICKEY COUNTY)	APPLICATION FOR AN
SITING APPLICATION)	AMENDED CERTIFICATE OF
)	CORRIDOR COMPATIBILITY
)	AND ROUTE PERMIT

I. INTRODUCTION

On July 10, 2014, the North Dakota Public Service Commission (Commission) issued its Order granting Certificate of Corridor Compatibility No. 154 and Route Permit No. 166 (together with the Findings of Fact, Conclusion of Law, and Order, hereinafter referred to as the Order) to Otter Tail Power Company and Montana-Dakota Utilities Co. (jointly, the Applicants) for the North Dakota portion of their Big Stone South to Ellendale 345-kV Transmission Line Project (Project). The North Dakota portion of the Project (North Dakota Facility) consists of the proposed Ellendale 345-kV Substation located near the City of Ellendale, North Dakota and an approximately 9-mile-long 345-kV transmission line between the Ellendale 345-kV Substation and the North Dakota-South Dakota border. In order to accommodate a landowner's request, a route shift in South Dakota, and a minor alignment shift, the Applicants submit this consolidated application for an amended Certificate of Corridor Compatibility and an amended Route Permit for the Project.

During the Ellendale Township permitting process, subsequent to the issuance of the Order, a landowner whose property is not crossed by the Project requested a route alignment adjustment that would place the route further from their residence located in the NE/4 of NE/4 of Section 16, Township 129 North, Range 63 West and thus outside of the corridor approved for the Project. Also, subsequent to the Order there was a route shift in South Dakota of about 70 feet to the west that has caused a corridor shift in North Dakota from structure 43 to the North Dakota-South Dakota border. Finally, most of the structure locations have had minor in-line shifts of a few feet.

In addition to their request for an amended Certificate of Corridor Compatibility and an amended Route Permit for the Project to accommodate the alignment changes, the Applicants request the following procedures and timelines be adopted by the Commission for consideration of this application. In accordance with Section 49-22-08.1 of the North Dakota Century Code which allows the Commission to prescribe form and information contained within an application for amendment of a route permit, the Applicants request that the Commission adopt the following requirements:

1. The Commission accept the consolidated application, rather than separate applications, for an amended Certificate of Corridor Compatibility and an amended Route Permit.
2. The Commission issue a notice of opportunity for hearing on the consolidated application and publish it in the official newspaper of Dickey County, North Dakota, the county in which the proposed corridor and route modification is located.

II. REQUESTED MODIFICATIONS AND COMPLIANCE WITH SITING CRITERIA

The Applicants' proposed corridor and route modifications are discussed in more detail in Section A below. Information regarding the Commission's siting criteria, as applied to the proposed modifications, is provided in Section B below.

A. Proposed Corridor and Route Modifications

Landowner Request

The owner of the NE/4 of NE/4 of Section 16, Township 129 North, Range 63 West, in Dickey County, North Dakota, requested during their permitting process before the Ellendale Township that the Applicants adjust the route in order to maximize the distance from the landowner's residence located in the NE/4 of NE/4 of Section 16, Township 129 North, Range 63 West. Ellendale Township approached the Applicants to consider this request. The route modification requested is outside of the approved corridor. To accommodate the landowner's request, the Applicants ask that the Commission approve the route and corridor modification depicted on the map book page 1 of 6 provided as Attachment A. Attachment B provides a revised plan and profile of the route modification.

As shown on map book page 1 of 6 (Attachment A), the proposed modification would shift the route and corridor between structures 4 to 8 approximately 1,100 feet northeast to diagonally cross through the SE/4 of Section 9, Township 129 North, Range 63 West and SW/4 of Section 10, Township 129 North, Range 63 West where it meets up with the originally approved route at Structure 8. In addition to meeting the landowner's request, the proposed modification will enable the Applicants to reduce the number of structures and very slightly reduce the length of the Project. The affected landowners have executed an option for easement in favor of the Applicants consistent with the proposed modification.

No new landowners are involved with this route and corridor modification. The landowners in the southeast quarter of Section 9 and southwest quarter of Section 10, who were originally located along the route and executed options, are the same landowners that have signed an option accepting the revised route and new structure locations (route shift). Please note that the landowner in Section 16 who requested the route shift, did not have an option for easement on their property and will not have an option on their property.

One additional structure (Structure 5) will be placed in a wetland. Otherwise, no additional environmental or cultural resource impacts are anticipated. The land use is uniform across the area and there is no increase in structure numbers. To accommodate the route shift requested by the landowner, the Applicants ask that the Commission approve the corridor and route modification depicted on the map book page 1 of 6 provided as Attachment A.

South Dakota Route Shift

Structure 44 located in South Dakota is being shifted about 70 feet to the west to accommodate county road setback requirements and landowner request. The shift has caused about a 30 foot shift in the corridor between structure 43 (in North Dakota) and the North Dakota-South Dakota state border, depicted on the map book page 6 of 6 provided as Attachment A. No new landowners are involved with this corridor modification. No additional environmental or cultural resource impacts are anticipated. The land use is uniform across the area and there is no increase in structure numbers. To accommodate the South Dakota route shift, the Applicants ask that the Commission approve the corridor modification depicted on the map book page 6 of 6 provided as Attachment A.

Minor Alignment Shifts

Lastly, all of the transmission line structures have shifted slightly from the locations filed in the Application, due to adjustments in route shifts and optimizing engineering design of the route. With the exception of structures 4 to 8, the remaining structure shifts are inline and on the same landowners property. No new landowners are involved with this route modification. The Table 1 below lists the transmission line structure shifts distance and direction. The revised structure locations are depicted on the map book provided as Attachment A. Attachment B provides a revised plan and profile of the route modification.

Table 1: Revised Transmission Line Structure Locations

Structure Number	Structure Locations from Application and Late-Filed Exhibit 13	Revised Structure Locations 8/18/2015 – Distance between structures	Corridor Modifications
1	Filed in Application and Late-Filed Exhibit 13	3.7ft northwest	Not applicable
2	-	3.7ft northwest	-
3	-	18 ft northwest	-
4	-	3.7ft northwest	-
5	-	1,069 ft northeast	1,054.1 ft northeast
6	-	1,122 ft northeast	999.8 ft northeast
7	-	Removed	492.5 ft north
8	-	3.7 ft northwest	-
9	-	3.7 ft northwest	-
10	-	3.7 ft northwest	-
11	-	3.7 ft northwest	-
12	-	3.7 ft northwest	-
13	-	3.7 ft northwest	-
14	-	3.7 ft northwest	-
15	-	3.7 ft northwest	-
16	-	3.7 ft northwest	-
17	-	3.7 ft northwest	-
18	-	3.7 ft northwest	-
19	-	3.7 ft northwest	-
20	-	22.6 ft northwest	-
21	-	3.7 ft northwest	-
22	-	3.7 ft northwest	-
23	-	3.7 ft northwest	-
24	-	3.7 ft northwest	-
25	-	3.7 ft northwest	-
26	-	3.7 ft northwest	-
27	-	3.7 ft northwest	-

Structure Number	Structure Locations from Application and Late-Filed Exhibit 13	Revised Structure Locations 8/18/2015 – Distance between structures	Corridor Modifications
28	-	3.7 ft northwest	-
29	-	3.7 ft northwest	-
30	-	3.7 ft northwest	-
31	-	3.7 ft northwest	-
32	-	3.7 ft northwest	-
33	-	3.7 ft northwest	-
34	-	3.7 ft northwest	-
35	-	3.7 ft northwest	-
36	-	3.7 ft northwest	-
37	-	3.7 ft northwest	-
38	-	3.7 ft northwest	-
39	-	7.6 ft southwest	-
40	-	3.7 ft northwest	-
41	-	3.7 ft northwest	-
42	-	3.7 ft northwest	-
43	-	3.7 ft northwest	-
State Border			30 ft west
44	-	70.3 ft west	70.3 west

B. Compliance with Siting Criteria

The proposed corridor and route modifications comply with the Commission’s siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code. Information regarding the exclusion areas and avoidance areas present within the proposed corridor and route modifications, as well as information regarding the selection criteria and policy criteria as they relate to the proposed modifications, is provided below.

1. Exclusion Areas

Per Section 69-06-08-02-1 of the North Dakota Administrative Code, “...the following geographical areas shall be excluded in the consideration of a route for a transmission line. A buffer zone of reasonable width to protect the integrity of the area must be included. Natural screening may be considered in determining the width of the buffer zone.” As shown in Table 2, no exclusion areas are located within the proposed corridor and route modifications (Attachment A).

Table 2: Exclusion Areas – Corridor and Route Modifications

Geographic Area	Present within Modification	Proposed Buffer
Designated or registered national: parks; memorial parks; historic sites and landmarks; natural landmarks; monuments; and wilderness areas	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Designated or registered state: parks; historic sites; monuments; historical markers; archaeological sites; and nature preserves	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
County parks and recreational areas; municipal parks; and parks owned or administered by other governmental subdivisions	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas critical to the life stages of threatened or endangered animal or plant species	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas where animal or plant species that are unique or rare to this state would be irreversibly damaged	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas within 1,200 feet of the geographic center of an intercontinental ballistic missile (ICBM) launch or launch control facility	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas within 30 feet on either side of a direct line between ballistic missile (ICBM) launch or launch control facilities to avoid microwave interference	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.

2. Avoidance Areas

Per Section 69-06-08-02-2 of the North Dakota Administrative Code, “...the following geographical areas shall not be considered in the routing of a transmission facility unless the applicant shows that under the circumstances there is no reasonable alternative. In determining whether an avoidance area should be designated for a route, the Commission may consider, among other things, the proposed management of adverse impacts; orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes. Economic considerations alone shall not justify approval of these areas. A buffer zone of a reasonable width to protect the integrity of the area shall be included unless a distance is specified in the criteria. Natural screening may be considered in determining the width of the buffer zone.” As set forth in Table 3, with the exception of rural water pipelines, which may be present but are not

anticipated to be impacted, no avoidance areas are located within the proposed corridor or route modifications (Attachment A).

Table 3: Avoidance Areas – Corridor and Route Modifications

Avoidance Area	Present within Modification	Proposed Buffer
Designated or registered national historic districts; wildlife areas; wild, scenic, or recreational rivers; wildlife refuges; and grasslands	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Designated or registered state wild, scenic, or recreational rivers; game refuges; game management areas; management areas; forests; forest management lands; and grasslands	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Historical resources which are not specifically designated as exclusion or avoidance areas	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas that are geologically unstable	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Within 500 feet of a residence, school, or place of business	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Reservoirs and municipal water supplies	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Water sources for organized rural water districts	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Irrigated land	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.
Areas of recreational significance which are not designated as exclusion areas	Not present within corridor or route modification.	No impacts are anticipated and no buffer is proposed.

3. Selection Criteria

Per Section 69-06-08-02-3 of the North Dakota Administrative Code, "...a corridor or route shall be designated only when it is demonstrated to the Commission by the applicant that any significant adverse effects resulting from the location, construction, and maintenance of the facility, as they relate to the following, will be at an acceptable minimum or that those effects will be managed and maintained at an acceptable minimum." Table 4 addresses the selection criteria as they relate to the proposed corridor and route modifications.

Table 4: Selection Criteria – Corridor and Route Modifications

Selection Criteria	Potential Adverse Effects
The impact upon agriculture:	
Agricultural production	<p>Permanent impacts will occur as a result of structure placement and reduced tillage in cropland; impacts are approximately 78.5 square feet per structure for pasture land and 314 square feet per structure for cropland. Temporary construction impacts such as soil compaction and crop damage will likely occur; approximately one acre per structure.</p> <p>The Applicants will work with the landowner to minimize impacts to agricultural production.</p>
Family farms and ranches	<p>Land area used for the 345-kV transmission line route and structures will have a minimal adverse effect on family farms. No family farms will be displaced due to construction of the Project.</p>
Land which the owner can demonstrate has soil, topography, drainage, and an available water supply that cause the land to be economically suitable for irrigation	<p>No irrigated lands are present within the modification. If a landowner expresses concerns related to economically suitable irrigation on their land, the Applicants will work with them to avoid or minimize impacts.</p>
Surface drainage patterns and ground water flow patterns	<p>No impacts are anticipated to rivers, streams, or drainageways; no effects on groundwater flow patterns are anticipated. The structure locations not affect surface drainage patterns. To minimize impacts during construction, the Applicants will follow applicable regulations under the North Dakota Pollutant Discharge Elimination System (NDPDES) General Permit for Stormwater Discharges Associated with Construction Activity. A Notice of Intent (NOI) to obtain permit coverage will be submitted to the North Dakota Department of Health prior to construction.</p>
The impact upon:	
Sound-sensitive land uses	<p>Nearby homes may experience short-term effects during construction such as elevated noise levels and increased vehicle traffic. Noise impacts are nominal. There are no sound-sensitive receptors within 500 feet of the modified route.</p>
Visual effect on the adjacent area	<p>Visual impacts will be most evident to landowners and residents near the North Dakota Route and drivers traveling along adjacent roadways. The Applicants propose to mostly use single-pole steel structures commonly used by transmission line facilities across the state. Structures will also avoid sensitive areas to the extent practicable.</p>
Extractive and storage resources	<p>No extractive and storage resources are located in the modification. No impacts anticipated.</p>
Wetlands, woodlands, and wooded areas	<p>One transmission line structure will be located in a wetland within the proposed corridor and route modification, this will cause about 78.5 square feet of permanent impact to the wetland by the Project. No tree areas are located within the route modification.</p>
Radio and television reception and other communication or electronic control facilities	<p>No communication resources are located in the modification. No impacts anticipated.</p>
Human health and safety	<p>No impacts on human health and safety are anticipated from the operation of the North Dakota Facility.</p>

Selection Criteria	Potential Adverse Effects
Animal health and safety	No impacts to livestock are anticipated. Impacts to wildlife populations are expected to be minimal. Potential avian collisions may occur, but are anticipated to be relatively small. The Applicants developed a Line Marking Plan per APLIC guidelines which was reviewed and submitted to the U.S. Fish and Wildlife Service to minimize potential avian collisions.
Plant life	The Project area is primarily agricultural in nature. Permanent impacts to plant life will occur at structure locations and areas of tree clearing. Areas of temporary construction impacts will be restored. Impacts to individual trees would be replaced per the Commission's specifications.

4. Policy Criteria

Per Section 69-06-08-02-4 of the North Dakota Administrative Code, "...the Commission may give preference to an applicant that will maximize benefits that result from the adoption of the following policies and practices, and in a proper case may require the adoption of such policies and practices." Table 5 addresses the policy criteria as they relate to the proposed corridor and route modifications.

Table 5: Policy Criteria – Corridor and Route Modifications

Policy Criteria	Suitable Policy or Practice of Applicant
Location and design	The Applicants have attempted to locate and design the route to minimize environmental impacts and utilize existing corridors where practical.
Training and utilization of available labor in this state for the general and specialized skills required	The Applicants will use local labor and resources during construction to the extent practicable based on available qualified personnel.
Economies of construction and operation	The Applicants will utilize local contractors to the extent practicable based on available qualified personnel.
Use of citizen coordinating committees	The Applicants have and will continue to work with landowners on development of the Project.
A commitment of a portion of the transmitted product for use in this state	Energy transmitted by the Project will be used in the Applicants' service territory, which includes North Dakota.
Labor relations	No labor relations will be affected.
Coordination of facilities	Existing facilities were considered in the location of the Project.
Monitoring of impacts	The Applicants and the construction contractor will employ Best Management Practices (BMPs) during construction to minimize environmental impacts and will maintain commitments made in this Application and applicable permit conditions, including the Commission's Order approving the North Dakota Facility. The Applicants will monitor the success of tree and shrub replacement, if needed.

Policy Criteria	Suitable Policy or Practice of Applicant
Utilization of existing and proposed rights-of-way and corridors	One of the primary goals in locating the corridor and route was to maximize use of existing transmission and roadway corridors and rights-of-way. The proposed route is consistent with this policy and is the best location when considering the factors identified by the Commission, landowners, the policies of the Applicants, and Project design.
Other existing or proposed transmission facilities	The corridor and route parallels existing transmission and roadway corridors to the extent practical.

The Applicants’ environmental policies are consistent with the Commission’s policy criteria outlined above. *See also* Section 3.4 of the Applicants’ Certificate of Corridor Compatibility and Route Permit application.

III. WAIVER REQUEST

Consistent with the Commission’s Energy and Transmission Facility Guidelines, the Applicants provide the following information in support of its consolidated application:

A. Project Description

1. Type

The Applicants propose to construct, own, and operate a single-circuit, 345-kV transmission line, approximately 160 to 170 miles long, extending from Ellendale, North Dakota, to Big Stone City, South Dakota. Montana-Dakota Utilities Co. will construct a new substation (called the Ellendale 345-kV Substation) and tie lines and modify the existing Ellendale 230-kV Substation, near Ellendale, North Dakota (see Attachment A). The North Dakota Facility which consists of about 9 miles of transmission line is located entirely in Dickey County, North Dakota.

2. Product

The Project will transmit electrical energy generated from sources primarily within North Dakota and South Dakota. The transmission line is intended to carry three-phase, AC power at 345-kV. The electric power (the “product” for purposes of this Amendment) will be available for delivery within the entire MISO region, including North Dakota, as well as potential delivery outside the MISO region.

3. Size and Design

The about 9 miles of 345-kV transmission line will be constructed with single-pole steel structures. The average height of the single-pole structures will range from about 125 to 155 feet. The average span between structures will range from 700 to 1,200 feet (typically about 1,000

feet) and will vary depending on geological or engineering constraints identified during final design. The ROW will be 150 feet wide. Specialty structures and foundations may be required in certain circumstances. The Project, for purposes of this Application, consists of 345-kV transmission line, associated structures, conductors, shield wires, and other components along with the Ellendale 345-kV Substation.

4. Location

The North Dakota Facility will extend from the Ellendale 345-kV Substation near Ellendale, North Dakota to the North Dakota-South Dakota border near the intersection of 100th Street and 388th Avenue in Section 32, Township 129 North, Range 62 West. The proposed corridor and route modification between structures 4 to 8 is located in the SE/4 of Section 9, Township 129 North, Range 63 West and SW/4 of Section 10, Township 129 North, Range 63 West in Dickey County, North Dakota. The proposed corridor modification from structure 43 to the North Dakota-South Dakota state border is located in Section 32, Township 129 North, Range 62 West in Dickey County, North Dakota.

5. Geographical Service Area

The proposed 345-kV transmission line will provide wholesale electric service for the MISO region which includes North Dakota well as other states in the MISO region.

6. Time Schedule

The Project schedule is based on information known as of the date of this filing and upon planning assumptions. This schedule is subject to adjustment and revision as further information is developed. The Applicants plan to give milestone updates through the Project's newsletter and website.

- Material Procurement Commitments: 2015
- Land Right Easements Obtained: 2015-2016
- Final Transmission Line and Substation Design: 2016
- Construction Start: 2016
- Testing Operations: 2019
- In-Service Operations: 2019
- Final Land Rights, Settlements, and Cleanup: 2020

7. Future Plans

There are no current plans for future expansion beyond the components listed in this Application.

B. Need for Facility

A Certificate of Public Convenience and Necessity (CPCN) was issued by the Commission for the North Dakota Facility in Case No. PU-13-272 for Montana-Dakota and Case No. PU-13-273 for Otter Tail Power Company on September 25, 2013. The need for the Project was discussed in Paragraph 8 of the Order.

C. Cost

As stated in the original Application, the total cost of the North Dakota portion of the Project is still estimated to be approximately \$43 million to \$50 million in 2013 dollars and includes expenses for surveys, engineering, materials, construction, land rights, and project management. This estimated cost breaks down to be approximately \$15 – 22 million for the 345-kV transmission line and about \$28 million for the Ellendale 345-kV Substation and other modifications.

D. Waiver Request

The procedures and time schedules requested herein are necessary so the Applicants are able to start tree and shrub clearing of the right-of-way and other right-of-way preparation (i.e. gates, fencing, access) within the modified portion of the Project route during the fall of 2015, outside of the avian breeding and nesting seasons and during the northern long eared bat hibernation. Doing so will enable the Applicants to minimize or avoid potential impacts to avian species and the northern long eared bat, as well as to maintain its 2016 construction schedule, which is essential to completing the Project in a timely and efficient manner. Attachment C lists the status of surveys and Attachment D lists the status of permit and/or approvals.

Granting the abbreviated procedures and time schedules is appropriate because the Commission has already issued a Certificate of Corridor Compatibility and Route Permit for the Project; thus, it has been determined that the Project will produce minimal adverse effects. In addition, granting the requested corridor and route modification will accommodate the landowner's request to place the route further from their residence located in the NE/4 of SE/4 of Section 16, Township 129 North, Range 63 West, slightly reduce the Project length, and reduce the number of structures.

Furthermore, the documentation of environmental and cultural resource studies and analyses conducted for the proposed corridor and route modification demonstrates that there will be minimal adverse effects due to the modification, and that the proposed modification complies

with the exclusion and avoidance area criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code. As such, the requested modification also complies with the requirements of Section 69-06-05-02-2 of the North Dakota Administrative Code.

IV. CONCLUSION

Accordingly, the Applicants respectfully request that the Commission adopt the requested procedures and time schedules, approve the requested corridor and route modification, and issue an order granting an amended Certificate of Corridor Compatibility and Route Permit for the Project.

Dated this 29th day of September, 2015.

OTTER TAIL POWER COMPANY

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