

Laura McCarten
Evidentiary Hearing Opening Statement

Thank you Judge and Commissioners for the opportunity to provide testimony in this case. I also want to thank Commission Staff for their constructive engagement and thoughtful review of this petition.

In this proceeding, the Company is seeking an Advance Determination of Prudence to purchase, develop, construct, and operate the 200 MW Courtenay Wind Farm Project in Stutsman County, North Dakota. This Commission initially approved the Courtenay Project as a prudent power purchase agreement with developer Geronimo Wind Energy. However, the Project became at risk of failing when Geronimo encountered financial difficulties and could not find a partner or developer under the PPA structure. The Company undertook a comprehensive review of the Courtenay Project, and determined that it would be in the best interest of our customers for the Company to assume ownership and self-development of this cost-effective Project, rather than let it fail. We are here today to ask the Commission to find that this new ownership structure is prudent.

The Commission's Advocacy Staff and the Company have similar views regarding the prudence of the Courtenay Project. We both recognize that North Dakota law provides a presumption of prudence for generation resources located in North Dakota law. We believe that our proposal to purchase the Courtenay Project meets this presumption and is also prudent in its own right. As Company witness Paul Johnson and Staff agreed, the Company's purchase of the Courtenay Project is more cost-effective under all scenarios than cancelling the Project, and compares favorably to the original PPA terms under virtually all sensitivities. The project also provides a hedge against future increases in natural gas prices, market energy costs, and carbon dioxide regulation. Finally, the Company has taken several steps to effectively manage the risks that come with development and construction of a new generation resource.

Overall, we thank Staff for their thoughtful analysis and consideration of the multiple factors that support our purchase and development of the Courtenay Project. In light of these factors, I believe the record supports a finding that this acquisition is prudent and respectfully ask the Commission to grant an ADP.

Thank you.

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