Minnkota Power
MPC COOPERATIVE, INC.
Your Touchstone Energy® Partner

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May 31, 2016

Mr. Darrell Nitschke, Executive Secretary
Public Service Commission
600 E. Boulevard Ave – Dept. 408
Bismarck, ND 58505-0480

Re: Oliver Wind III Project
Case Nos: PU-16-122, PU-16-123

Dear Mr. Nitschke:

Minnkota Power Cooperative, Inc. (Minnkota) is a wholesale electric generation and transmission cooperative formed on March 28, 1940, and headquartered in Grand Forks, N.D. Minnkota provides, on a nonprofit basis, wholesale electric service to 11 retail distribution cooperatives, which are the members and owners of Minnkota. Minnkota is also associated with the Northern Municipal Power Agency, which is a municipal power agency serving 12 municipals within its service territory.

The member-owner distribution cooperative systems (member systems) are cooperative associations that provide retail electric service to their own member consumers. In general, the membership of the member systems consists of residential, commercial, and industrial consumers within a contiguous geographic area.

The member systems' service areas, which encompass 34,500 square miles, are located in northwestern Minnesota and the eastern third of North Dakota and contain an aggregate population of approximately 300,000 people. The member systems serve approximately 125,000 customers. The primary function of the member systems is to provide the total electrical requirements of their own member-owner consumers through wholesale purchases of capacity and energy from Minnkota and to deliver this capacity and energy through their electrical distribution facilities.

Minnkota has entered into a Wholesale Power Contract with each of the 11 member systems that is in effect through Dec. 31, 2055. These Wholesale Power Contracts provide that Minnkota shall sell and deliver to each of the member systems, and that the member systems shall purchase and receive from Minnkota, at least 95% of the members' electrical capacity and energy requirements. The members may elect to purchase up to 5% of their requirements from sources other than Minnkota.

Minnkota plans to meet its member's current and forecasted power requirements throughout the membership service territories through a combination of its current generation portfolio and purchase of additional wind resources. Minnkota's baseload generation comes from the two

turbines at the Milton R. Young Power Plant, a share of the output from Coyote Station and a firm power allocation from WAPA. Minnkota has also entered into certain long term power purchase agreements for the output from Ashtabula Wind and Langdon Wind projects.

Electric energy from renewable resources such as wind farms is an important component of Minnkota's ongoing evaluation of the most reliable, cost-effective and environmentally friendly resources available to serve its members.

Specifically with respect to the NextEra Oliver Wind III Project, Minnkota has agreed to purchase all of the output of the facility (capacity and energy) on the terms and conditions set forth in a 35 year long term power purchase agreement. Minnkota needs to include renewable resources in its long term power supply portfolio to meet the requirements of existing and future environmental laws, rules and regulation. Additionally, the physical location of the Oliver Wind III Project provides geographical diversity for Minnkota's wind generation and allows Minnkota to use its existing transmission facilities including the Center-Grand Forks 345 KV line.

Lastly, Minnkota has a decade long history of working with NextEra. This history and NextEra's track record in developing and successfully operating wind resources in the Upper Midwest contributed to the selection of the Oliver Wind III Project as a resource to meet Minnkota's long term needs and objectives with respect to reliability and cost.

Sincerely,

Lowell Stave

Lowell Stave
Vice President of Energy Supply and Member Relations