



January 3, 2020

North Dakota Public Service Commission
c/o Steven Kahl, Executive Secretary
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

**Re: Settlement Agreement on Kessler Reclamation Issues
Case Nos. PU-19-288 and PU-13-127**

Dear Commissioners:

On December 20, 2019, Minnesota Power and Keith and Deanna Kessler participated in a mediation with the North Dakota Mediation Service. The mediation resulted in a signed settlement agreement that is attached to this cover letter resolving Bison 4 Wind Project reclamation issues related to the Kesslers' property.

Please let us know if you have any questions.

Yours truly,



David R. Moeller
*Senior Attorney and
Director of Regulatory Compliance*

DRM:jn
Attach.

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**Settlement Agreement on Kessler Reclamation
Issues**

Allete, Inc.

David Moeller

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**Settlement Agreement on Kessler Reclamation
Issues**

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**Settlement Agreement on Kessler Reclamation
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AGREEMENT BETWEEN

MINNESOTA POWER AND KEITH AND DEANNA KESSLER

December 20, 2019

Minnesota Power and Keith and Deanna Kessler hereby confirm that on December 20, 2019, the parties have reached the following agreement as to the issues listed below, whereupon the Kesslers will assume responsibility as to the following items (unless indicated otherwise):

ITEM 1 - Fencing

- 1) numerous places where splicing was done
- 2) re south of Turbine 441, fencing needs to be along property line, cattle guard needs to be removed (now owned by Kessler) - the Kesslers will deal with putting up a new fence on their property and Minnesota Power will arrange to fix the neighbors' fence by May 1, 2020, conditions permitting
- 3) fill in all holes created by prior construction of temporary fencing

ITEM 2 - Rocks

- 1) up to 5 locations where rocks still have not been removed that are in close proximity of the fence line or moved under the fence itself
- 2) reimbursement for damage to mower which was damaged due to rocks not being removed when mowing tallgrass

ITEM 3 - Ruts and Washouts

- 1) approximately 6 inch ruts from Crane movement and washouts along the electrical collection line, some due to improper dirt work, also some due to not enough straw socks to prevent washout
- 2) damage beyond Crane-walk 50 foot easement where company went way outside the easement and created a path extending to 100 feet
- 3) washout around turbine pads

ITEM 4 - Compaction

- 1) need to run a compaction test, and if unreasonable amount of compaction still exists. It needs to be fixed by aeration or other means

ITEM 5 - Reseeding

- 1) the seeding done by the company was ineffective, and much of the re-seeding needs to be redone

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2) also need to reimburse for killing hayfield, grass, and alfalfa – which all needs to be reseeded

ITEM 6 – Noxious Weeds

1) The weeds are a continuing problem, and only be resolved by regular and proper spraying along road and ditch, underground collection line, and around turbine pads. The parties note that the payment received in this matter results in the Kesslers assuming on-going responsibility to deal with any noxious weeds in the hayfield and pasture area that they own, including the collection line, and Minnesota Power will continue to be responsible for the other noxious weed provisions already contained in the agreements with the Kesslers and the neighboring landowners, which already includes the pads and the roadways.

ITEM 7 – Lost Time, Labor, and Lost Production

1) The Kesslers have had to spend hundreds of hours trying to deal with all of these issues [Note: This item now includes the potential claim for inconvenience as to these reclamation issues under this agreement.]

TOTAL: ██████████

The parties agree that this amount does not cover any of Mr. Boughey's attorney fees in reference to the reclamation issue, and that Minnesota Power will not be responsible for any of Mr. Boughey's attorney fees in regards to the reclamation issue. This does not in any way limit Mr. Boughey or the Kesslers from requesting fees as to any other matter separate from this agreement that might be brought before the Public Service Commission.

Minnesota Power understands that this agreement does not in any way limit the Kesslers from proceeding in regards to the issue relating to the placement of Turbine 441. The parties agree that this settlement does not involve the placement of Turbine 441.

The Kesslers have agreed that they will keep confidential the total amount paid by Minnesota Power.

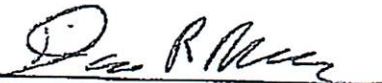
Upon the signing of this document by all parties and the Mediator, Minnesota Power is authorized to file this document (with the monetary amount redacted) with the Public Service Commission and provide them in

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writing a letter confirming that the Kessler reclamation issue has been resolved. The mediator shall retain the original in her records for four years.

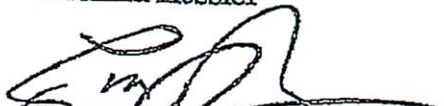
Minnesota Power will issue a check directly to the Kesslers on or before January 14, 2020, and will provide a carbon copy of the cover letter and a copy of the check to Mr. Boughey.

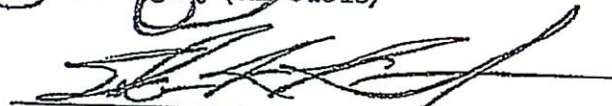
Dated this 20th day of December, 2019.


David Moeller (ND 08644)
Minnesota Power


Keith Kessler


Deanna Kessler


Lynn Boughey (ND 04046)


Sandra K. Kuntz
Mediator