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THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED
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===== ~~SOUTH DAKOTA PUBLIC UTILITIES COMMISSION~~

IN THE MATTER OF THE APPLICATION BY
OTTER TAIL POWER COMPANY ON BEHALF OF
BIG STONE II CO-OWNERS FOR AN ENERGY
CONVERSION FACILITY PERMIT FOR THE
CONSTRUCTION OF THE BIG STONE II PROJECT

EL05-022

ORIGINAL

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Transcript of Recorded Proceedings
August 23, 2006

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BEFORE THE PUBLIC UTILITIES COMMISSION,
BOB SAHR, CHAIRMAN
DUSTY JOHNSON, VICE CHAIRMAN
GARY HANSON, COMMISSIONER

COMMISSION STAFF
Rolayne Ailts Wiest
John Smith
Karen Cremer
Kara VanBockern
Greg Rislov
Harlan Best
Keith Senger
Dave Jacobson
Bob Knadle
Phil Lusk
Nathan Solem
Deb Gregg
Tina Douglas
Heather Forney
Patty Van Gerpen

Reported By Cheri McComsey Wittler, RPR, CRR

1 TRANSCRIPT OF PROCEEDINGS, held in the above-entitled
2 matter, at the South Dakota State Capitol, 500 East Capitol
3 Avenue, Pierre, South Dakota, on the 23rd day of August 2006,
4 commencing at 9:30 a.m.

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1 CHAIRMAN SAHR: Under Electricity, EL05-022, In the
2 Matter of the Application by Otter Tail Power Company on Behalf
3 of Big Stone II Co-Owners for an Energy Conversion Facility for
4 Construction on the Big Stone II Project.

5 And the question today is, Shall the Commission grant
6 Mary Jo Stueve's application for reconsideration, and shall the
7 Commission grant Mary Jo Stueve's application for
8 reconsideration second application? And, if either motion is
9 granted, how shall the Commission proceed?

10 Ms. Stueve, would you like to make some comments?

11 MS. STUEVE: I actually had -- most of the comments
12 that I made were in the appeal setting, of course. And I'm on
13 the road at the moment so I'm just curious to hear what the
14 Commissioners have to say.

15 CHAIRMAN SAHR: Thank you. Well, I appreciate that.
16 And obviously you're not paying yourself as attorney because
17 they always have to comment, even though it isn't a petition.

18 MS. STUEVE: Okay.

19 CHAIRMAN SAHR: With that, I will look to see if any
20 of the Interveners have comments. This is Beth Goodpaster on
21 behalf of the Joint Interveners, and we submitted a letter on
22 Monday of this week, a letter of support to Ms. Stueve's request
23 for rehearing -- first request for rehearing connected to the
24 projected cost increases associated with this project.

25 So I'm here to support her request and to answer any

1 questions the Commissioners may have about our position on that.

2 I've highlighted a number of the Findings of Fact from
3 the Order that include finding of the least cost. And that is
4 the question that I don't think even the Big Stone II owners can
5 answer right now and say that their project of least cost
6 because they're all redoing their analyses.

7 So that's all I have to say. If you want to know the
8 detailed findings that I'm looking at, I'm happy to --

9 CHAIRMAN SAHR: Thank you very much. Then why don't
10 we go to the Big Stone II co-owners and Otter Tail.

11 Mr. Welk and Madsen, do you have any comments?

12 MR. WELK: Yes. This is Mr. Welk.

13 Chairman, in light of your admonition about lawyers, I
14 want to confine my comments and have attempted to address
15 Ms. Stueve's old petitions for rehearing. We think they should
16 be denied because this is supposed to be based on a newly
17 discovered or a claimed error of Finding of Fact. The matters
18 in which she asserts are newly discovered we contend are not
19 newly discovered. So far in the carbon regulation the
20 Commission, which is not in our papers, entered Finding of Fact
21 199 requiring us to provide reports about federal and state
22 carbon CO2 regulations, which we would intend to do.

23 And we think that the issues have been adequately
24 discussed before the Commission and that this wasn't newly
25 discovered evidence and that the findings that are entered by

1 the Commission are consistent with the evidence.

2 We ask that both Petitions be denied.

3 CHAIRMAN SAHR: Thank you very much.

4 Staff.

5 MS. CREMER: Thank you. This is Karen Cremer from
6 Staff. Staff will rely on its written filing. And we would
7 agree with the position of the Applicant. And Staff would also
8 recommend that both applications for reconsideration be denied.

9 CHAIRMAN SAHR: Thank you very much.

10 Any questions or comments from Commissioners or
11 advisors?

12 Seeing none, do we have a motion or motions?

13 COMMISSIONER JOHNSON: Yes, Mr. Chairman. I would
14 move that the Commission deny the application for
15 reconsideration and that the Commission would deny the
16 application for reconsideration second.

17 COMMISSIONER HANSON: Second.

18 CHAIRMAN SAHR: Motion passes.

19 (The proceedings are concluded)

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STATE OF SOUTH DAKOTA)

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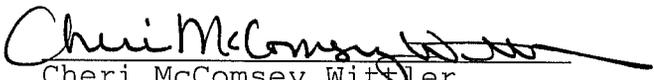
CERTIFICATE

COUNTY OF HUGHES)

I, CHERI MCCOMSEY WITTLER, a Registered Professional Reporter, Certified Realtime Reporter, and Notary Public in and for the State of South Dakota:

DO HEREBY CERTIFY that as the duly-appointed shorthand reporter, I transcribed, to the best of my ability, the recorded proceedings had in the above-entitled matter on the 23rd day of August, 2006, and that the attached is a true and correct transcription of the proceedings so taken.

Dated at Pierre, South Dakota this 4th day of October, 2006.


Cheri McComsey Wittler,
Notary Public and
Registered Professional Reporter
Certified Realtime Reporter