



P.O. BOX 248
203 WEST CENTER STREET
MADISON, SOUTH DAKOTA 57042-0248
PHONE: 605-256-6536
FAX: 605-256-2990
www.hcpd.com

May 13, 2008

Mr. Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place E., Suite 350
St. Paul, MN 55101

Re: *In the Matter of the Application of Otter Tail Power Company and
Others for Certification of Transmission Facilities in Western
Minnesota; MPUC Docket No. ET-6131, ET-2, ET-6130, ET-10,
ET-6444, E-017, ET-9/CN-05-619; OAH Docket No. 12-2500-17037-2*

Dear Mr. Haar:

Please accept this letter on behalf of Heartland Consumers Power District and its Customers. We were extremely surprised and disappointed at the conclusions and recommendations presented in the May 9 Supplemental Report by the Administrative Law Judges (ALJs) in the subject proceeding. The ALJs' recommendation to deny both the Certificate of Need and Route Permit for the transmission facilities in Minnesota represents an unexplained reversal of the recommendation issued less than a year ago and a significant setback to the orderly expansion of the electric system that will adversely impact the cost and reliability of electric service for consumers in the entire region.

While we will also participate in submitting a brief along with the Big Stone II Project participants, the Heartland Board of Directors feels so strongly that it wanted to also submit this short letter on behalf of its Customers.

Mr. Burl W. Haar, Executive Secretary
May 13, 2008
Page 2

Throughout this proceeding, much has been made of the fact that Heartland did not purchase or utilize what is known as "capacity expansion" modeling. As early as 2001, Heartland recognized through its own modeling and resource planning processes its growing need for additional baseload resource. Currently, half of Heartland's baseload resource is supplied from other utilities through power purchase agreements with no opportunity for contract extension beyond 2013. Heartland is participating in Big Stone Unit II because we need baseload resources to replace existing baseload contracts and to plan for future load growth as provided in the South Dakota statutes, which govern Heartland's operations. Heartland, as a political subdivision of the State of South Dakota with rate authority over our Customers, determined that it did not need to undertake additional resource modeling, at great expense, to address a question to which we already knew the answer. As a democratically elected body, we determined the specific computer model to conduct our resource planning.

Heartland uses the same resource planning process when evaluating both renewable and non-renewable resources. That process led us to select a 51 MW wind project as part of our resource mix in 2005, fully two years before the Minnesota RES was established.

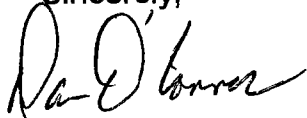
There are several Findings and Conclusions offered by the ALJs that are troubling in tone and content. The ALJs, by agreeing with the Department of Commerce, appear to advocate that the Commission should assert jurisdiction over Heartland's operations, particularly outside of Minnesota. Heartland is governed by South Dakota's Consumers Power District statutes, which define Heartland's resource selection criteria and scope of operation. Heartland strenuously objects to any implication that all of Heartland's Customers, particularly those outside of Minnesota, must be subjected to Minnesota generation resources planning regulations because it seeks to own a small portion of a transmission line that is located only partially in Minnesota.

Mr. Burl W. Haar, Executive Secretary
May 13, 2008
Page 3

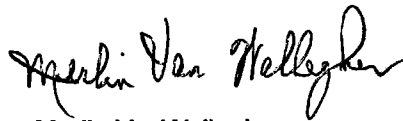
We look forward to discussing this matter with you further on June 3. The Heartland Board of Directors strongly urges the Commission to approve the Certificate of Need and Route Permit for the Big Stone II Transmission Project. This transmission project will provide access to cost effective, reliable energy from multiple sources, including South Dakota wind energy, to all Minnesota Customers.

Thank you for your consideration.


Sincerely,



Dan O'Connor
President



Merlin VanWalleghen
Vice President



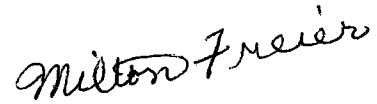
Jerry Micheel
Secretary



Ron Anderson
Treasurer

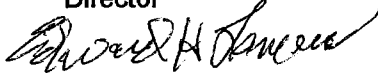


Jean Rave
Asst. Secretary/Treasurer

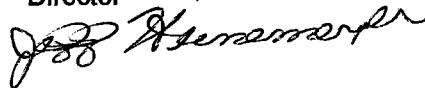


Milton Freier
Director

Edward H. Lamers
Director



Jeff Heinemeyer
Director



Roger Fritz
Director

