We have a preferred route. After a year-long routing process, which many of you participated in, the BSSE project team identified a preferred route for the new 345 kV transmission line.

The final route will be determined through the North Dakota and South Dakota state route application processes. The BSSE team anticipates submitting the route applications in late summer or early fall of 2013.

As the project continues, we will use this newsletter to keep you updated on the project, announce public hearings for the state processes, and answer more of your questions in our “Frequently Asked Questions” section, found on the last page of this newsletter.

We appreciate your participation in the routing process.

The BSSE project team

Meeting Summary

Montana-Dakota Utilities Co. and Otter Tail Power Company held 6 open house meetings in October 2012 to gather feedback on the study corridors. The feedback received at these meetings was reviewed and considered as the preliminary routes were developed. In February 2013, 5 open house meetings were held to present the preliminary routes. The feedback received at the February meetings was reviewed and considered as the preferred route was developed. Additionally, the project team met with federal, state and local agencies, tribal leaders, elected officials and organizations throughout the process to gather their feedback.

Meeting Attendance

<table>
<thead>
<tr>
<th>Location</th>
<th>October Corridor Meetings</th>
<th>February Routing Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groton, SD</td>
<td>16</td>
<td>65</td>
</tr>
<tr>
<td>Ellendale, ND</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Wheaton, MN</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Webster, SD</td>
<td>28</td>
<td>78</td>
</tr>
<tr>
<td>Aberdeen, SD</td>
<td>32</td>
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<tr>
<td>Britton, SD</td>
<td>48</td>
<td>73</td>
</tr>
<tr>
<td>Milbank, SD</td>
<td>64</td>
<td>67</td>
</tr>
</tbody>
</table>

Frequently Asked Questions

How did you determine where the transmission line will be located?
The project team identified a preferred route using input gathered from the public at routing meetings along with agency input and environmental and engineering considerations. For more information, please refer to the summary outreach document located on our website’s Routing page.

How far will your transmission line be from homes?
No homes will be located within our right-of-way, which is 150 feet wide. This means the minimum distance a home could be from the centerline of our project is 75 feet. In addition, we adopted a goal to minimize the number of homes within 500 feet of the project centerline.

How are affected landowners compensated?
Right-of-way agents will prepare a specific estimate for each landowner based on a consistent payment formula. Total compensation for each easement varies, depending on factors such as the local market value of land, the calculated acreage for the right-of-way, current land use, and whether poles will be located in the easement.

How will you handle construction damage on my property?
During the construction phase, inspectors retained for the project will monitor and record damages when they occur. We will review each case and determine a course of repair. The responsibility and cost for any repairs belong to us.

How will I be compensated for crop damage during construction?
We will compensate landowners for crop damages that occur during construction. The damage payment for standing crops will be determined by the following formula: acres x yield x price per bushel. During the year construction is completed, project representatives and the landowner will jointly determine the acres of crop affected by construction. Reimbursement will be based on the average yield of the adjoining crops and prevailing price per bushel being paid by a comparison of values from local elevators or current contractual arrangement. For the three consecutive years following construction, the project will make an additional payment for the potential of loss in crop yield based on this schedule:

- Year 1 - 50% of the value of the crop damage payment agreed to during the construction season;
- Year 2 and Year 3 – 25% of the value of the crop damage payment agreed to during the construction season.
Project Basics:
- New 345 kV transmission line
- End points: proposed Ellendale 345 kV substation and proposed Big Stone South substation
- Project owners: Montana-Dakota Utilities Co. and Otter Tail Power Company
- In service by 2019
- Approximate cost: $300 million - $340 million

Project Schedule:
- November 2012 Review corridor feedback
- Winter 2012-13 Develop preliminary routes
- Early 2013 Host open houses
- Spring-Summer 2013 Refine preliminary routes and develop state applications. Begin engineering design and right-of-way process.
- 2013 - 2016 Obtain environmental permits, refine engineering design, and continue right-of-way process
- 2016-2019 Construction
- 2019 Project in service

Want to find out more or provide feedback?
If you have additional comments or questions, feel free to use any of the following ways to reach our project team:

Visit our website: www.BSSETransmissionLine.com
Call our information line: 1-888-283-4678
Email us: info@BSSETransmissionLine.com

Map Legend:
- Preferred Route
  Identified as the best route option for the BSSE project.
- Preliminary Route
  Routes that provided the best connections between end points. The preferred route was chosen from among these preliminary routes.
- Project End Point
- Study Corridors
- Corridors Not Currently Under Consideration
- Lake
- Stream
- Railroad
- County Boundary
- State Boundary