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January 5, 2009

TO: Local government units in or near the proposed routes included in the CapX2020 Brookings County-Hampton 345 kV Transmission Line Project Permit Application

RE: Notice of Filing of a Route Permit Application for the Brookings County-Hampton 345 kV Transmission Line Project by Great River Energy and Northern States Power Company with the Minnesota Public Utilities Commission (MPUC Docket No. ET2 /TL-08-1474)

Letter and CD-ROM containing the Route Permit Application sent via certified U.S. mail. For additional copies of the CD-ROM or for a print copy of the Route Permit Application please call 1-888-473-2279 or brookingsinfo@capx2020.com.

Great River Energy, a Minnesota cooperative corporation, and Northern States Power Company, a Minnesota corporation (Xcel Energy)(collectively, the Applicants), on behalf of themselves and other CapX2020 utilities, filed a Route Permit application with the Minnesota Public Utilities Commission (Commission) on December 29, 2008 for the Brookings County-Hampton 345 kilovolt (kV) transmission line project (Project). This letter, which was sent on December 30, 2009 to approximately 3,500 landowners whose property is within the proposed routes, provides information on the Project and the routing process as well as how to register your name, agency or organization with the Commission on the Project contact list to ensure that you receive future notices.

As part of the Minnesota Route Permit process, the Commission determines the final route and design of the transmission line. Under the full permitting process, the rules require that an applicant for a Route Permit identify at least two routes and state a preference for one of them. A map showing the preferred route and the alternate route for the Brookings County-Hampton 345 kV line is enclosed. These proposals were developed based on a thorough analysis of the State's routing criteria and input received from interested stakeholders, including local government officials and landowners in the Project area.

Public Notification and Involvement

The Project is one of three 345 kV transmission lines proposed by CapX2020, a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region. The initiative is designed to expand the electricity infrastructure to ensure continued reliable service, meet the growth in electricity demand and support renewable energy expansion. The CapX2020 utilities include cooperatives and investor-owned and municipal utilities.

A Certificate of Need from the Commission is required for the Project. Great River Energy and Xcel Energy filed a Certificate of Need application (MN PUC Docket No. ET-2/E-002/CN-06-1115) for the three 345 kV projects with the Commission on August 16, 2007 pursuant to Minnesota Statutes Section 216B.243. Prior to filing the Certificate of Need application, the CapX2020 utilities mailed notice letters detailing the proposed projects to approximately 73,000 landowners and 400 local government officials and placed ads in more than 100 local newspapers.

The CapX2020 utilities have been and continue to be committed to working with all interested parties during the need and routing processes. In the past two years the utilities have pursued an aggressive public outreach effort that has provided opportunities for potentially affected landowners, local governments and others to be involved in the process. These efforts have helped the utilities provide information and answer questions on the need for the three 345 kV lines and to gather local information to assist in the development of route options.

As part of the state regulatory process for the Certificate of Need, the Minnesota Department of Commerce, Office of Energy Security (OES) hosted 10 public environmental scoping meetings on the Projects in December 2007 and the Commission held 19 public hearings in 13 cities in June and July 2008. A Commission decision on the Certificate of Need, expected in spring 2009, will establish the size, type and timing of the Project.

Project Location

The proposed Project includes approximately 210 miles of 345 kV transmission line segments between the existing Brookings County Substation near White, South Dakota and a new Hampton Substation in Dakota County, Minnesota. The Project also includes an approximately 25-mile, 345 kV transmission line from the existing Lyon County Substation near Marshall to a new Hazel Creek Substation southwest of Granite Falls and an approximately eight to 10-mile, 345 kV transmission line from the Hazel Creek Substation to the existing Minnesota Valley Substation (that will initially be operated at 230 kV). The Lyon County-Hazel Creek-Minnesota Valley segments will replace the existing Lyon County-Minnesota Valley 115 kV line.

The Applicants will negotiate easements with landowners for all required right-of-way. There may be circumstances where Applicants will be required to exercise the right of eminent domain to acquire easements for the Project in accordance with their authority under State law pursuant to Minnesota Statutes Chapter 117.

The Route Permit Process

A Route Permit from the Commission will be required before the Project can be constructed. The Power Plant Siting Act (Minnesota Statutes Chapter 216E) and implementing rules in Minnesota Rules Chapter 7849 establish the requirements for submitting and processing a Route Permit application. The statutes and rules also establish notice requirements for various stages of the process.

The Route Permit application will be considered under the full permitting process in Minnesota Statutes Section 216E.03 and Minnesota Rules parts 7849.5010 to 7849.6500. The Commission has up to one year from the time the Route Permit application is accepted to complete its process and make a decision according to Minnesota Statutes Section 216E.03, subdivision 1 and Minnesota Rule 7849.5340, Subpart 1.

Within 60 days after the Commission accepts the application as complete, the OES will hold public meetings on behalf of the Commission to provide information and seek public comment. At the meetings, members of the public may propose additional route alternatives for consideration in the draft Environmental Impact Statement (EIS) that the OES will prepare.

After the draft EIS is prepared, the OES will hold an informational meeting to provide an opportunity for the public to comment on the document. A public hearing (conducted by an administrative law judge from the Office of Administrative Hearings) will be held once the draft EIS is issued. Anyone may speak

at the public hearing, present documentary evidence, ask questions of the Applicants and OES staff, and submit comments.

The Project Contact List

As you represent an area in or near the routes shown on the enclosed map, the Applicants will provide you written notice of the initial public meetings, the informational meeting, and the public hearing. If you wish to receive written notice of Project milestones regarding the environmental review process, including notice of the availability of the draft EIS, please sign up for the Project Contact List.

Register for the Project Contact List at <http://energyfacilities.puc.state.mn.us/> or by contacting the Minnesota Department of Commerce, Office of Energy Security:

Scott Ek, OES Permitting Staff Project Manager
(651) 296-8813
scott.ek@state.mn.us

Ray Kirsch, Public Advisor
(651) 296-7588
ray.kirsch@state.mn.us

Minnesota Department of Commerce, Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101
1-800-657-3794
(651) 297-7891 (fax)
1-800-627-3529 or 711 (TTY: Minnesota Relay Service)

If you have questions about the Project, contact Mr. Ek or Mr. Kirsch at the OES, or:

Great River Energy
12300 Elm Creek Boulevard
Maple Grove, MN 55369
1-888-473-2279
brookingsinfo@capx2020.com

Enclosed is a CD-ROM copy of the Route Permit Application filed on December 29, 2008, integrating materials filed on December 31, 2008, as a supplement to the Application. The supplement materials include a map (inserted in Appendix B) and copies of communications received from various local government units (inserted in Appendix J). If you would like a print copy of the application please contact Great River Energy at 1-888-473-2279 or brookingsinfo@capx2020.com. A print copy of the Route Permit application is also available at the following public libraries:

Brookings Public Library 515 3rd Street Brookings, SD 57006	Redwood Falls Public Library 509 South Lincoln Street Redwoods Falls, MN 56283
New Ulm Public Library 17 North Broadway New Ulm, MN 56073	Bird Island Public Library 260 South Main Street Bird Island, MN 55310
Carver County Library 4 City Hall Plaza Chaska, MN 55318	Henderson Public Library 110 South 6th Street Henderson, MN 56044
Chippewa County Public Library 224 South First Street Montevideo, MN 56265	Scott County Library – Shakopee Branch 235 South Lewis Street Shakopee, MN 55379
Granite Falls Public Library 155 Seventh Avenue Granite Falls, MN56241	Northfield Public Library 210 Washington Avenue Northfield, MN 55057
Montgomery Public Library 201 West Ash Avenue Montgomery, MN 56069	Heritage Library 20085 Heritage Drive Lakeville, MN 55044
Ivanhoe Public Library 401 North Harold Street Ivanhoe, MN 56142	Farmington Library 508 Third Street Farmington, MN 55024
Marshall-Lyon County Library 201 West Lyon Street Marshall, MN 56258	St. Peter Public Library 601 South Washington Avenue Saint Peter, MN 56082
Hutchinson Public Library 50 Hassan Street SE Hutchinson, MN 55350	