

# Defunct Power Plant Will Cost N.D. Consumers \$13.8 Million

BY DALE WETZEL  
Associated Press Writer

BISMARCK, N.D. — North Dakota regulators approved a settlement Friday that requires customers of two utilities to pay \$13.8 million to help cover the costs of an electric power plant that was never built.

The three-member Public Service Commission agreed that consumers would save interest costs by paying the development bills for the Big Stone II power plant over three years, rather than taking 10 years or more to do so.

The utilities dropped the project last year, saying weaker electricity demand, uncertain financing — both of which were blamed on the nation's economic slump — and the prospect of federal carbon dioxide regulation made construction of the new power plant impractical.

The commission unanimously endorsed a negotiated resolution with Montana-Dakota Utilities Co., of Bismarck, and Otter Tail Power Co., based in Fergus Falls, Minn. Because the Public Service Commission preapproved the Big Stone II project, North Dakota law allows the utilities to recover their development expenses, even though plant construction never began.

For an average residential customer who uses 750 kilowatt-

hours of power each month, the settlement will add \$1.49 to an MDU monthly bill and cost an Otter Tail rate payer about 62 cents more, according to regulatory filings. The increases take effect Aug. 1.

North Dakota rate payers will pay MDU almost \$9.5 million in development costs, including almost \$850,000 in interest, while Otter Tail will get about \$4.3 million from its North Dakota customers, of which about \$251,000 is interest.

MDU has more than 75,000 North Dakota electric customers, while Otter Tail has about 57,000.

Customers will pay less in interest if the development bills are paid in three years, instead of being included in a permanent increase in electric rates, Commissioner Tony Clark said.

"The law is clear in that the utility companies, at some point, would be entitled to recover these (development) costs," Clark said. "It's better, and ultimately cheaper, for consumers to just deal with the issue now, as opposed to putting it off."

The added costs will not be listed separately on each bill. Instead, they will be reflected in monthly adjustments that both companies make in their bills to reflect changes in the cost of fuel needed to generate electricity.

The utilities said they spent

at least \$24 million developing Big Stone II, a proposed coal-fueled, 630-megawatt plant that was to be located next door to an existing plant in northeastern South Dakota.

Two of the project's original seven participating utilities dropped out in 2007. Otter Tail left the project in September 2009, and the remaining utilities abandoned it two months later.

Construction never began on Big Stone II, even though its developers had the needed permits in hand.

The Dakota Resource Council, an environmental group based in Dickinson, objected to the PSC's original determination that the project was financially prudent. The council argued that likely federal carbon dioxide regulations would make Big Stone II's electricity costs more expensive than its developers were willing to concede.

The Public Service Commission declined to consider those arguments, saying it was barred by state law from doing so, said Derrick Braaten, a Dakota Resource Council attorney.

"We tried to put that information in front of them and they refused to allow it into the record," Braaten said. "We knew this was coming, we tried to tell you, and no one would listen."

## FLOOD

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qualify for aid has been met.

The figure doesn't include private property damage, which could take especially long to estimate because owners haven't yet had a chance to assess it.

"When the dust settles, the

damage figure will be higher," said Al Berndt, the Nebraska Emergency Management Agency's assistant director.

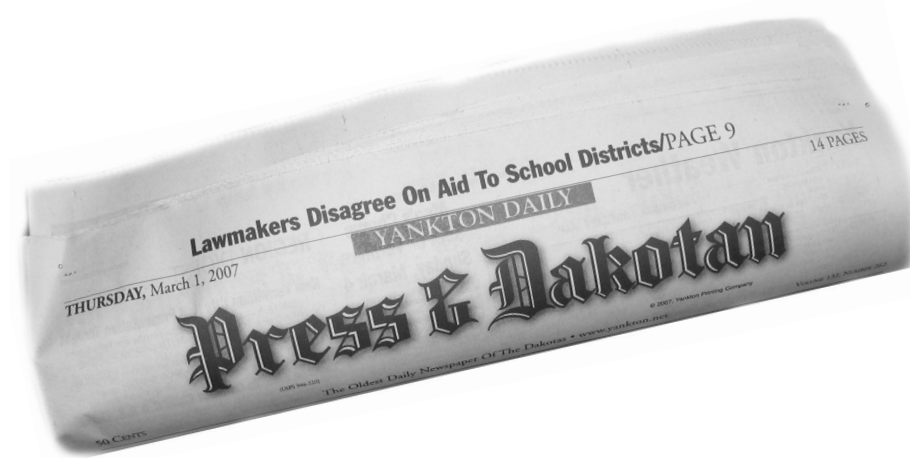
Some of the largest losses are expected to be on farmland, which will be reported to the U.S. Department of Agriculture. Interviews with emergency management officials statewide suggest several hundred homes have sustained damage, most of it minor or moderate.

As of Friday, portions of three state highways were closed. Rivers

continued to recede Friday following more than 1 1/2 weeks of rising water on rivers mainly in eastern and central Nebraska.

Flood warnings were still in effect Friday along the North Platte River in Scotts Bluff County, on the western edge of the state. Scotts Bluff County Emergency Management Director Jerry Bretthauer said there hasn't been serious flooding in the area and didn't expect major problems unless the river rose significantly.

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## Archaeological Site Might Be Historic Find

STANTON, N.D. (AP) — Researchers say they have found what might be the only pottery firing pit ever discovered along the Missouri River.

Tests must confirm what archaeologists suspect after investigating the remains of a 500-year-old fire pit that was revealed by flooding on the Knife River last year. The Knife is a tributary of the Missouri.

Archaeologists and students from the University of North Dakota and the Midwest Archaeological Center in

Nebraska who looked into the site say that rather than a simple ancient fire hearth, the blackened layer could be where women dug out an area to build a hot fire to be used to harden pottery.


"It's an awesome find," said Brian McCutchen, superintendent of Knife River Indian Villages National Historic Site, where the river is digging into an old earth lodge village site identified in previous archaeological digs.

Further analysis will be done

on the pottery and fire remains to see if the researchers' theory is correct, said Kacy Hollenback, a doctoral degree student from the University of Arizona studying at the site.

Confirmation of a firing pit would be significant, said Jay Sturdevant, National Park Service archaeologist at the Midwest Archaeological Center.

"It would be one of the only instances of prehistoric pottery manufacturing in the Northern Plains," he said.



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