

APR 15 2009

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION BY BUFFALO	) DOCKET NO. EL08-031
RIDGE II, LLC, A SUBSIDIARY OF IBERDROLA	)
RENEWABLES, INC., FOR AN ENERGY CONVERSION	) SETTLEMENT
FACILITY PERMIT FOR THE CONSTRUCTION OF THE	) STIPULATION WITH
BUFFALO RIDGE II WIND FARM AND ASSOCIATED	) H-D ELECTRIC
COLLECTION SUBSTATION AND ELECTRIC INTER-	)
CONNECTION SYSTEM	)

SETTLEMENT STIPULATION

1. On October 31, 2008, Buffalo Ridge II, LLC ("Buffalo Ridge II") made Application to the South Dakota Public Utilities Commission ("Commission") for an Energy Conversion Facility Permit to construct and operate the Buffalo Ridge II Wind Farm ("Farm") and Associated Collection and Substation Interconnection Systems.
2. Portions of the Buffalo Ridge II Wind Farm, consisting of name plate capacity of up to 306 megawatts, are located within the service territory of H-D Electric Cooperative, Inc. ("H-D Electric").
3. H-D Electric was granted intervention in this docket on February 5, 2009, and South Dakota Rural Electric Association ("SDREA") was granted intervention on February 5, 2009.
4. Thereafter, the parties entered into negotiations and have reached agreement on the following issues: (a) provisioning of station power to the wind farm; (b) limitation of use of the collector lines to transmission of power; and (c) safe and sound crossings where Buffalo Ridge II collector lines intersect with H-D Electric facilities.

I. Station Power

- A. The parties acknowledge that H-D Electric is the incumbent provider of retail electrical services for a portion of the project as noted on the attached Exhibit A. Pursuant to

state law, H-D Electric agrees to sell and deliver to Buffalo Ridge II and Buffalo Ridge II agrees to purchase, at prevailing and applicable commercial/industrial rates, and receive from H-D Electric all electric power and energy, made available through interconnection to the grid, that Buffalo Ridge II may need for station power at the portions of the wind farm facility located within the service territory of H-D Electric, except when generating power from the wind farm for the provision of authorized self-supply of station power.

B. Buffalo Ridge II will interconnect to H-D Electric at a “Point of Delivery” to be determined from time to time by the parties hereto, at which point a bi-directional meter will be installed to measure demand and energy.

II. Collector Lines

The parties further acknowledge that Buffalo Ridge II is not a provider of retail electrical services under SDCL 49-34A, and that Buffalo Ridge II has no territory under that law in which to lawfully provide retail electrical services to others. Absent changes to applicable laws, Buffalo Ridge II agrees it will not provide retail electric service in South Dakota. Buffalo Ridge II agrees not to use its collector circuits or lines to supply or distribute power to existing or new end-user customers within H-D Electric’s service territory.

III. Intersections

The parties acknowledge that at present, H-D Electric has existing transmission and distribution lines within the boundaries of the Site, and that during and post construction, both parties will have similar facilities which may cross or perhaps be essentially collocated. The party constructing or planning to construct in proximity to facilities of the other shall bear responsibility to contact the other prior to construction and advise of construction plans. Both parties pledge to use good faith to negotiate and resolve any disputes.

5. The parties agree that this Stipulation is binding upon the parties hereto and upon the successors, legal representatives, and assigns of the respective parties hereto.

6. The parties agree that this Stipulation is subject to approval by the Commission. Upon approval by the Commission, H-D Electric will not participate further in this docket.

7. SDREA was granted intervention in this docket on February 5, 2009. By its signature to this Settlement Stipulation, SDREA acknowledges H-D Electric's acceptance of the terms and conditions of this Stipulation, and SDREA will not participate further in this docket.

BUFFALO RIDGE II, LLC

By: Tim Seck

Its: Director, Development

Date: 4-15-09

H-D ELECTRIC ^{CH 21.} ~~SOUTHWESTERN~~ ELECTRIC COOPERATIVE, INC.

By: Marc A. Zyl

Its: General Manager

Date: 4-15-2009

SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION

By: Ed Anderson

Its: General Manager

Date: 4-15-09

EXHIBIT A

Map Document: W:\sps\p48\gapsa\p48\7812\map_000\sd\OPUC\m\fig\ref_1\fig_ref_1_sdm_optionMap.mxd
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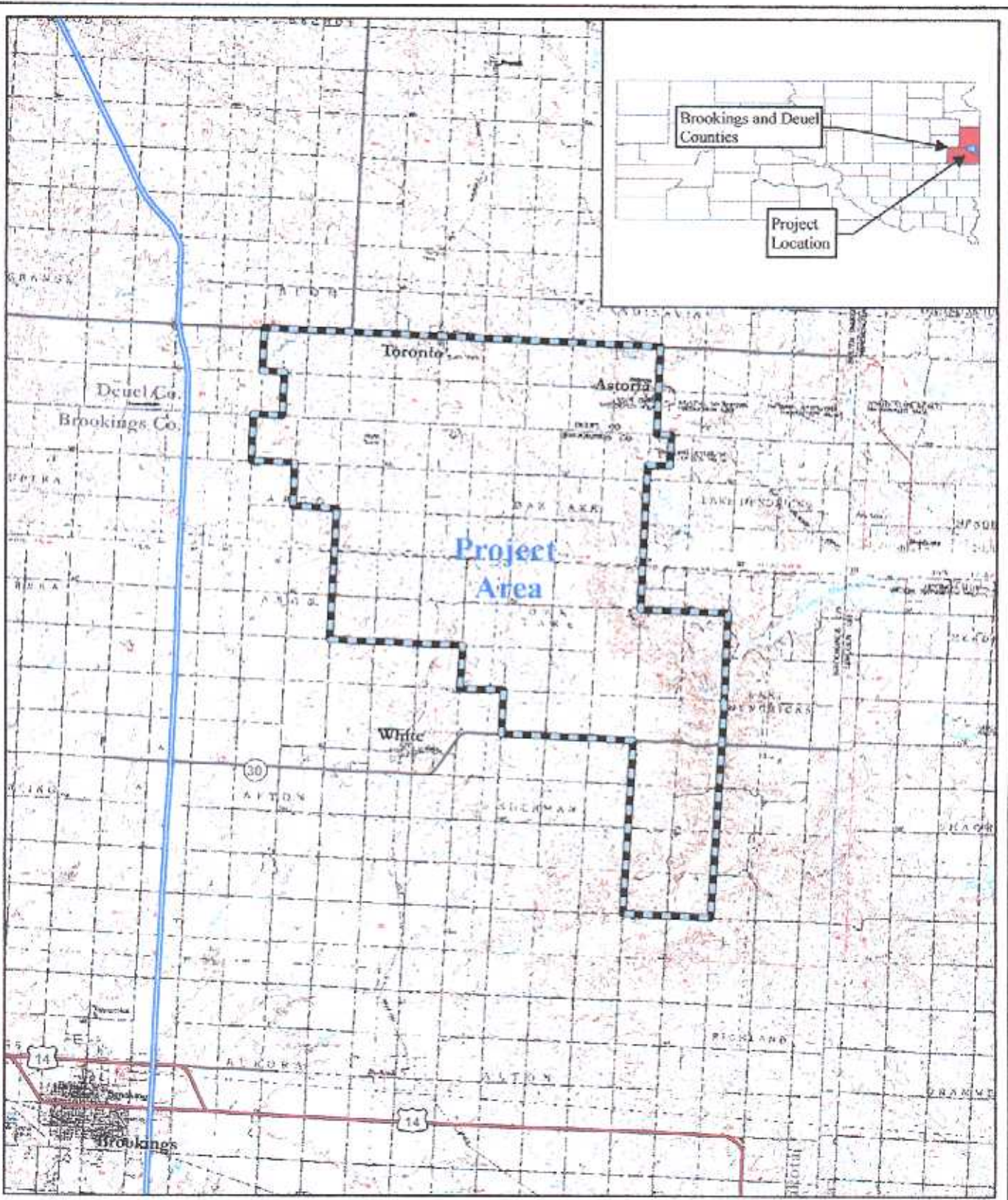


Figure 1 - Facility Location Map
Buffalo Ridge II Wind Farm
Iberdrola Renewables
Brookings and Deuel Counties, SD

Legend

- Site Boundary
- County

