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April 29, 2010



Mr. Terry O'Clair  
Director  
Division of Air Quality  
North Dakota Department of Health  
918 East Divide Avenue, 2<sup>nd</sup> Floor  
Bismarck, ND 58501-1947

Dear Mr. O'Clair:

Subject: Notice of Intent to Issue a BACT Determination Pursuant to Consent Decree  
M. R. Young Station

The purpose of this letter is to respond to the North Dakota Department of Health's April 6, 2010, Notice of Intent to Issue a Best Available Control Technology Determination Pursuant to Consent Decree for the reduction of nitrogen oxides emissions from the Milton R. Young Station near Center North Dakota. The following comments are made by Otter Tail Power on behalf of the Coyote Station co-owners-- NorthWestern Energy, Montana-Dakota Utilities Co., Northern Municipal Power Agency whose interests are represented by Minnkota Power Cooperative and Otter Tail Power Company.

Otter Tail understands that the Department made a preliminary determination that high dust, low dust, and tail end selective catalytic reduction (SCR) were not technically feasible at the M. R. Young Station in June of 2008. Following additional public comment, the Department subsequently determined that low dust and tail end SCR were technically feasible based on information available at the time of the determination.

Otter Tail has reviewed the Department's April 2010 evaluation "Best Available Control Technology Determination for Control of Nitrogen Oxides for M. R. Young Station Units 1 and 2." Given that both of the vendors Minnkota contacted refused to provide a catalyst life guarantee for either the low dust or the tail end SCR without pilot testing, Otter Tail agrees with and supports the Department's proposed determination that low dust and tail end SCR do not represent BACT.

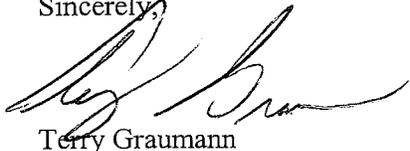
Otter Tail further supports the Department's observation that since the vendors will not provide a catalyst guarantee without pilot-scale testing indicates such use on a boiler firing North Dakota lignite could, and arguably, should be considered in the pilot scale testing stage of development. Based on Section IV.B of EPA's New Source Review Workshop Manual, technologies in the pilot-scale testing states of development would not be considered available for BACT review.

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Consequently, the Department has made a correct determination that high dust, low dust and tail end selective catalytic reduction do not represent BACT at M. R. Young Station.

Otter Tail Power Company appreciates the opportunity to provide comments in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Graumann", written in a cursive style.

Terry Graumann  
Manager, Environmental Services

Enclosure

- C. Mr. Dennis Wagner - NWPS
- Mr. Alan Welte - MDU
- Mr. Al Tschepen - MPC
- Ms. Stacie Hebert - OTP