Minnkota Power
MPC COOPERATIVE, INC.
Your Touchstone Energy® Partner

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August 16, 2011

Mr. Stephen Hoffman
U.S. Environmental Protection Agency (5304P)
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Mr. Hoffman:

On October 20, 2010, the U.S. EPA and its engineering contractors conducted a coal combustion residual (CCR) site assessment at our Milton R. Young Station. We have received the final report from EPA, dated July 28, 2011. As requested by EPA, we are enclosing our responses to each recommendation of the final report.

12.1 Corrective Measures and Analysis for the Structures

1. Continue to monitor the erosion channel located near the west embankment downstream toe of Cell 1 to ensure the erosion does not affect the west embankment downstream slope.

   MINNKOTA RESPONSE:

   Minnkota has completed the necessary repairs in the area of concern. All erosion rills were filled, compacted, and stabilized. Minnkota will continue to monitor this area in future inspections.

2. Perform a slope stability analysis for the Alternate Bottom Ash Pond.

   MINNKOTA RESPONSE:

   Minnkota will contract with Barr Engineering Company to conduct a slope stability analysis of the Alternative Bottom Ash Pond.

   Our current expectation is that this analysis will be complete by the end of 2011, with implementation of recommendations (if any) during the 2012 construction season.

3. Perform a hydrologic analysis of the Milton R. Young Station site and the three CCR impoundments to verify the adequacy of the pond volumes to store the direct precipitation from the inflow design flood. A dam break analysis should be performed for Cell 1 and Cell 2 to evaluate whether significant erosion damage to Nelson Lake Dam would result in the event of dam breach of Cell 1 or Cell 2.

MINNKOTA RESPONSE:

Minnkota will contract with Barr Engineering Company to conduct hydrologic analyses for the three CCR impoundments. The analyses will include the Milton R. Young Station site where site runoff has potential to impact the CCR impoundments.
Barr Engineering Company will also be contracted to conduct a dam break analysis of Cells 1 and 2 and any assess any impacts to Nelson Lake Dam.

Our current expectation is that these analyses will be completed by the end of 2011, with implementation of recommendations (if any) during the 2012 construction season.

12.2 Corrective Measures Required for Instrumentation and Monitoring Procedures

No corrective measures are required. We do recommend installing staff gages at Cell 2 and the Alternate Bottom Ash Pond to accurately measure water levels and to develop and implement an instrumentation and monitoring program that would include, at a minimum, recorded daily water levels and flow measurements.

MINNKOTA RESPONSE:

Minnkota has begun installing staff gages for Cell 2 and the alternative bottom ash pond. We are also reviewing the CCR facility operating plans and will modify accordingly to ensure adequate inspection frequency and documentation as recommended.

12.3 Corrective Measures Required for Maintenance and Surveillance Procedures

1. Develop and document formal inspections of the ash ponds, and include an inspection at a minimum of every 5 years by a third-party professional engineer with experience in dam safety evaluations. Perform a daily check inspection of the facilities with documentation on an inspection form.

MINNKOTA RESPONSE:

Minnkota will begin inspections by a third-party professional engineer experienced in dam safety, at the requested interval. As

indicated above, the CCR operating procedures are being reviewed to ensure daily inspections are being conducted, and that they are being appropriately documented. The first third-party inspection will be completed in 2012.

Minnkota remains committed to meeting all local, state and federal requirements, and to manage our coal combustion waste impoundments in a safe and responsible manner. We are confident that our efforts are protective of human health and the environment.

If you have questions or require further information, please feel free to contact me at 701-795-4000.

Sincerely,

MINNKOTA POWER COOPERATIVE, INC.

David Sogard
Vice President Legal & Governmental Affairs

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