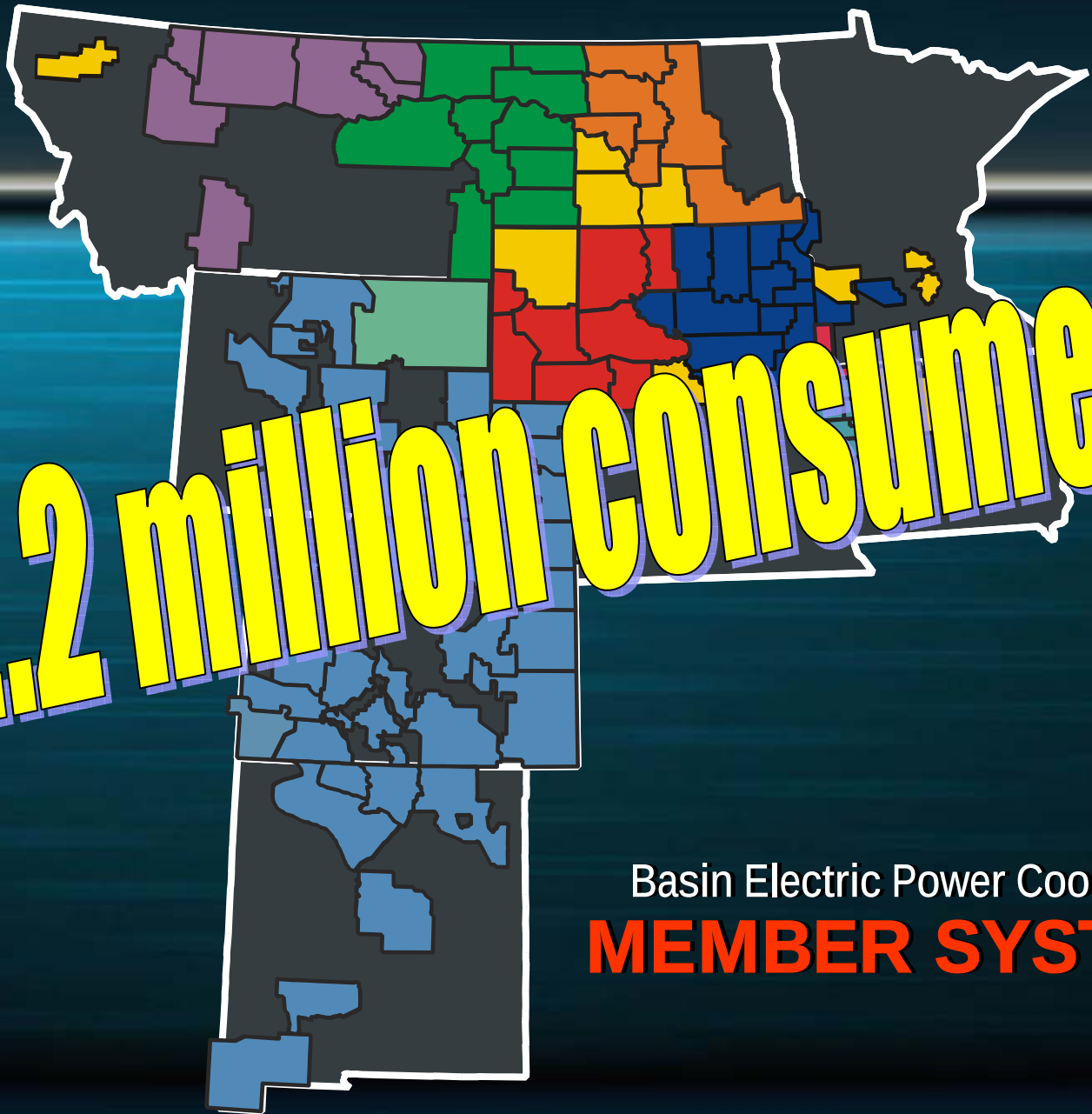


South Dakota PUC

Basin Electric Power Cooperative

Groton Unit 2

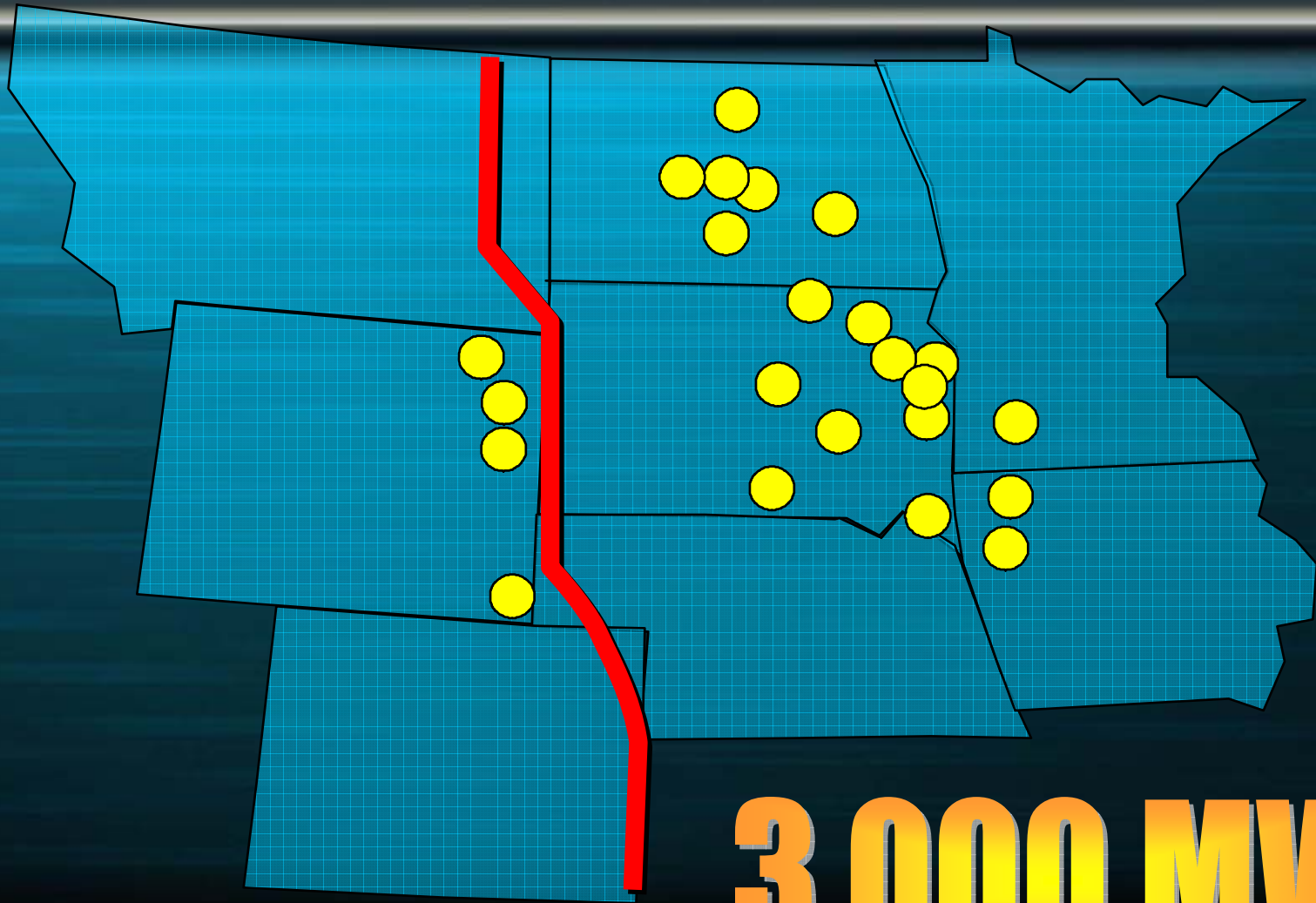
December 19, 2006



2.2 million consumers

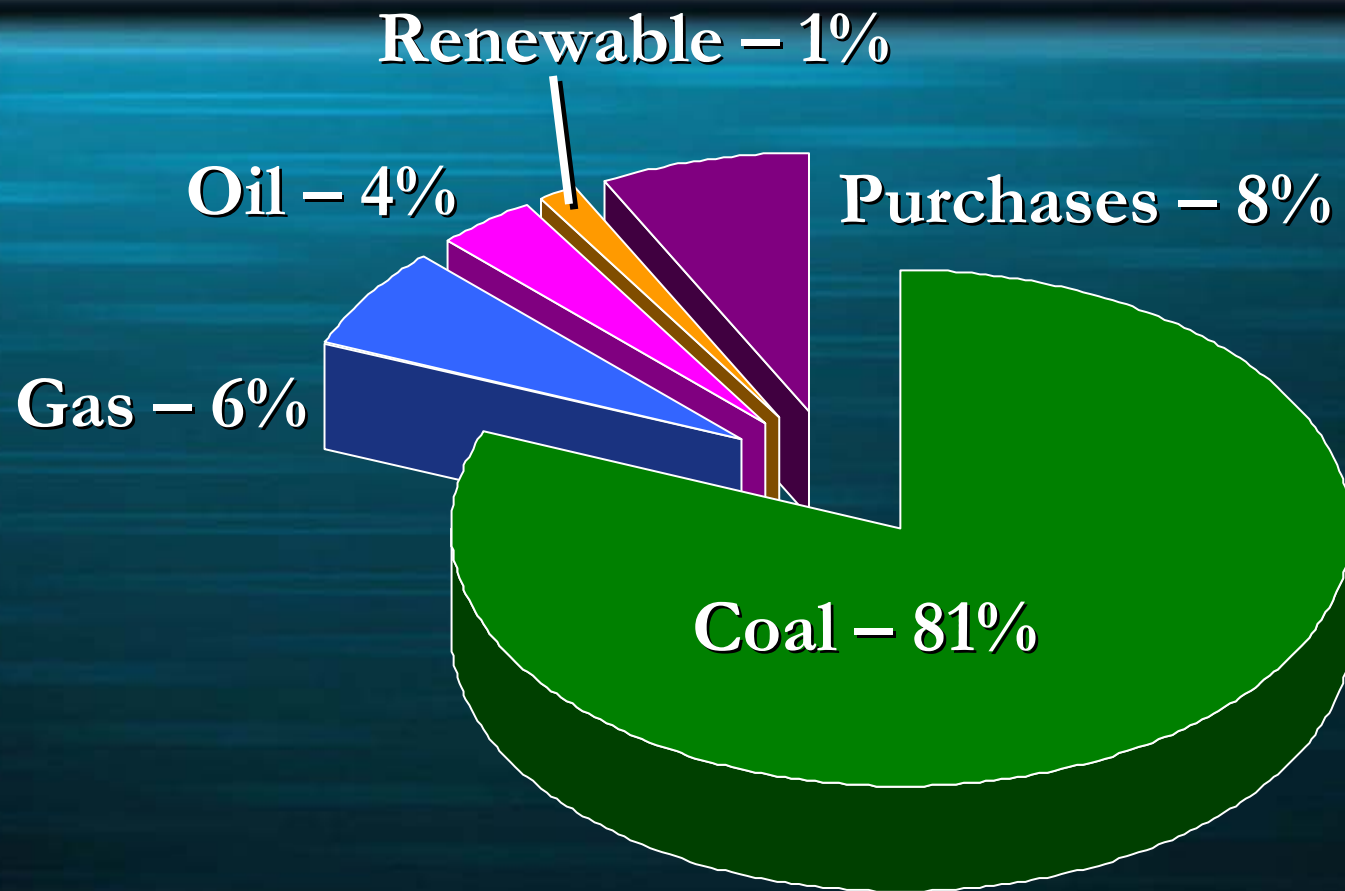
Basin Electric Power Cooperative
MEMBER SYSTEMS

Power Supply Facilities



3,000 MW

2006 Summer Capacity



2006 Generation Additions

Waste Heat 22 MW

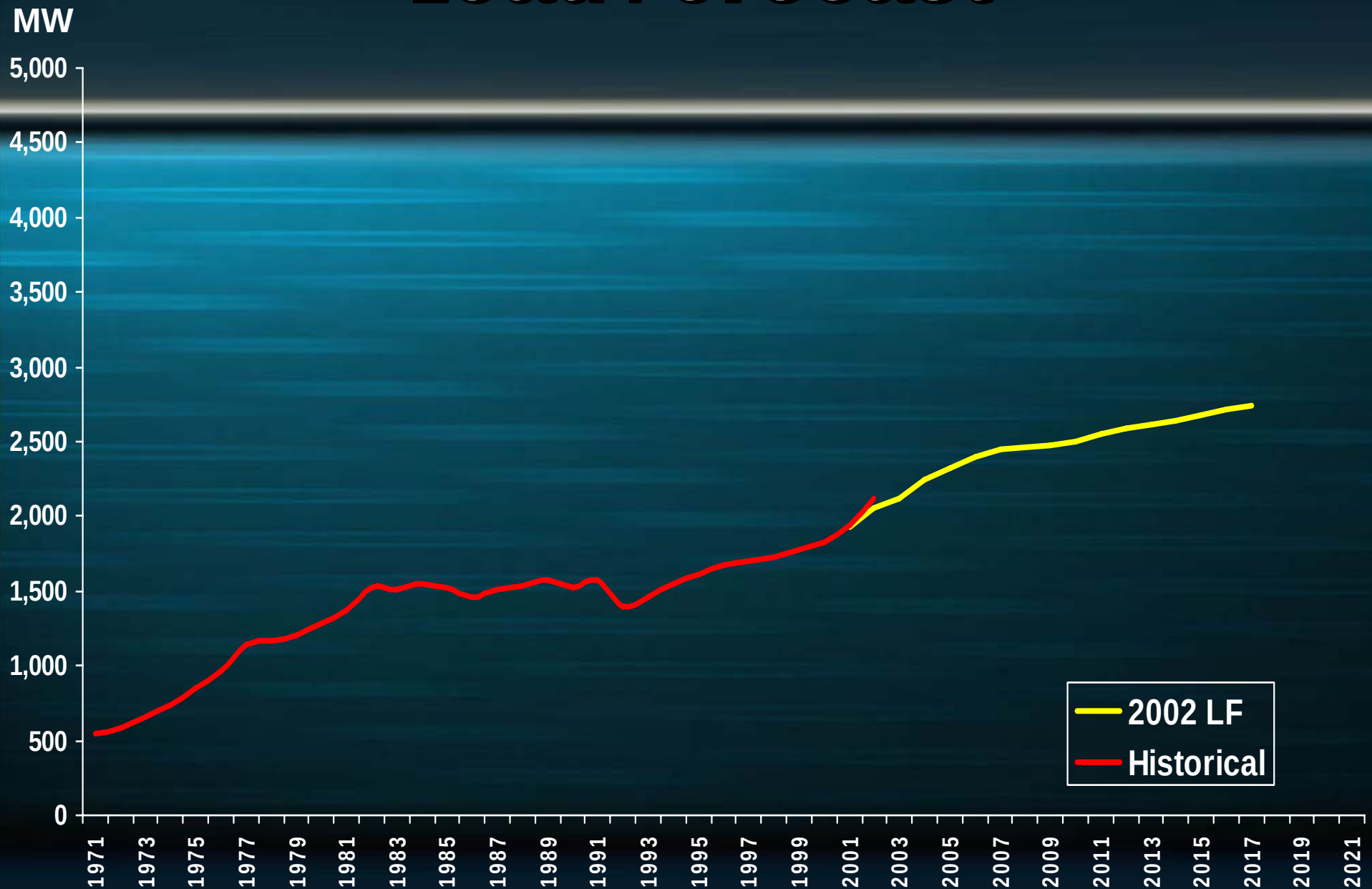


Groton 95 MW

Groton 1 Timeline



Load Forecast



Groton 1 Timeline

Nov 2003: Justification

May 2004: PUC NOI

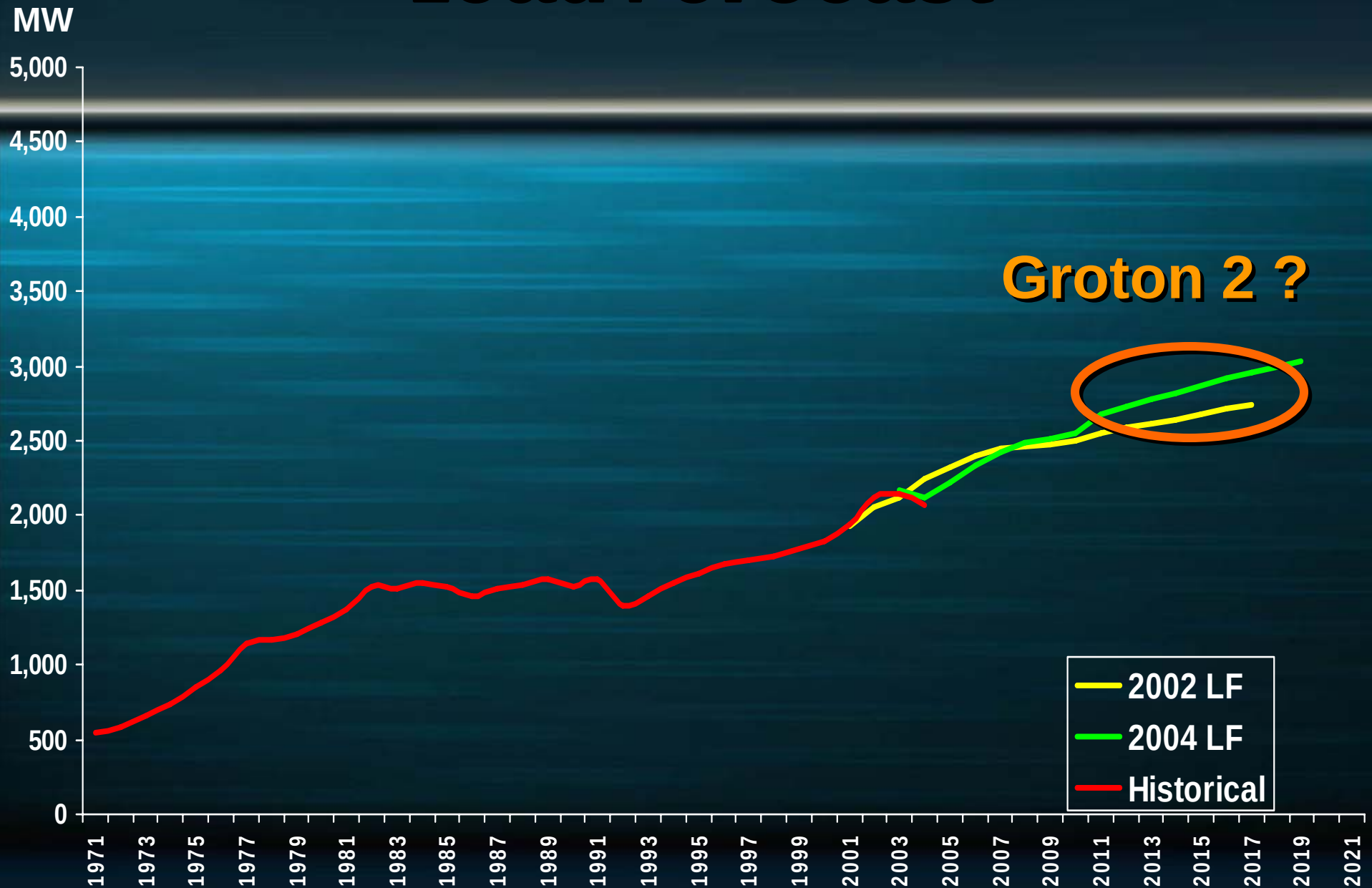
Dec 2004: PUC App. Sub

2004 Load Forecast

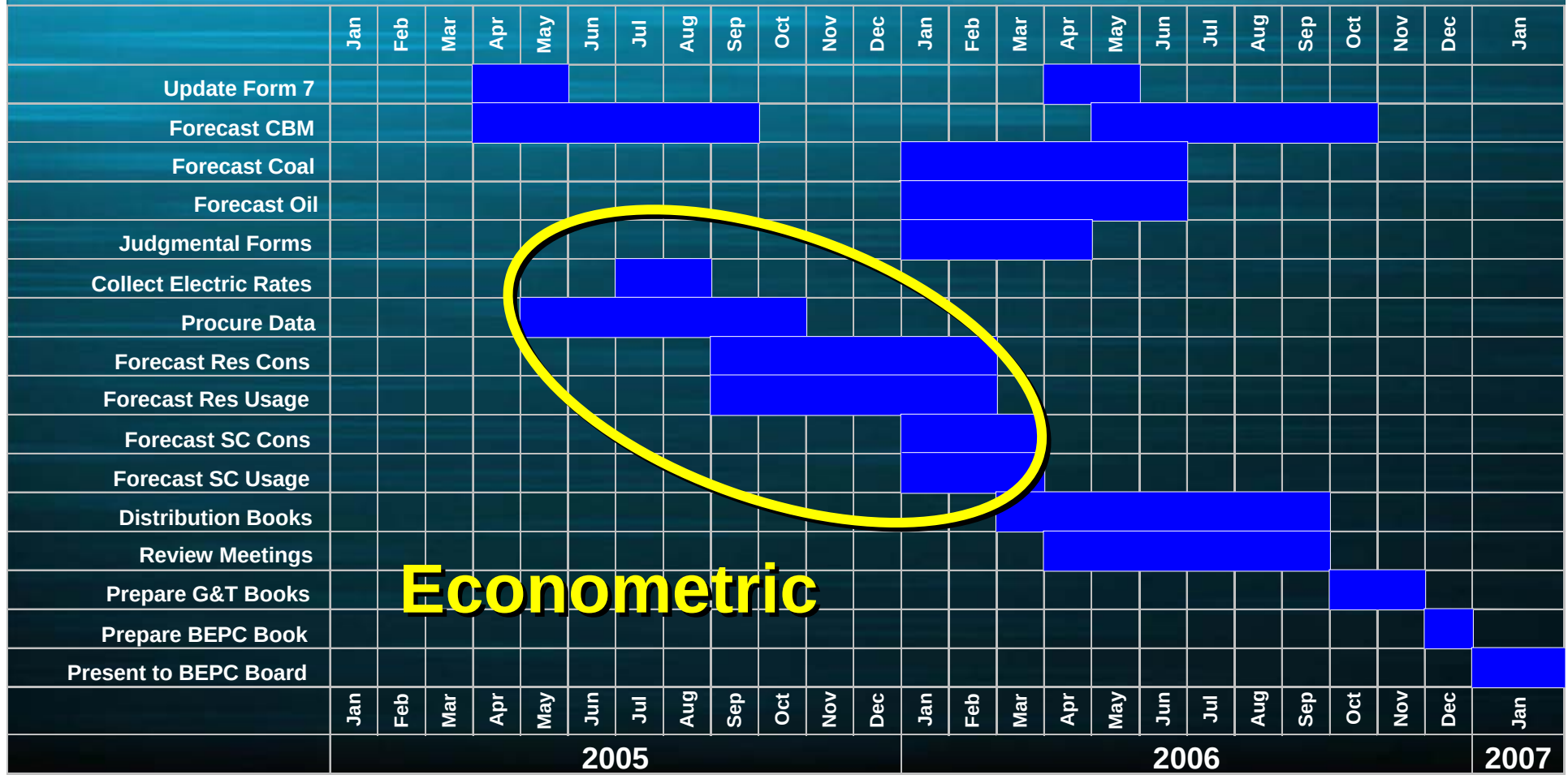
Aug 2005: Construction

Jul 2006: COD

Load Forecast



2007 Load Forecast *Schedule*



External Data Sources



United States Department of Agriculture



eia.doe.gov

Energy Information Administration



U.S. Census Bureau

FAPRI

Food and Agricultural Policy Research Institute



GLOBAL INSIGHT

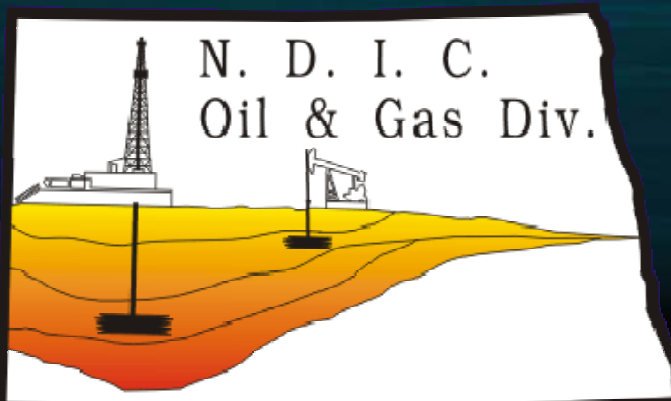


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National Oceanic and Atmospheric Administration

WOODS & POOLE
ECONOMICS
WASHINGTON D.C.



PACE

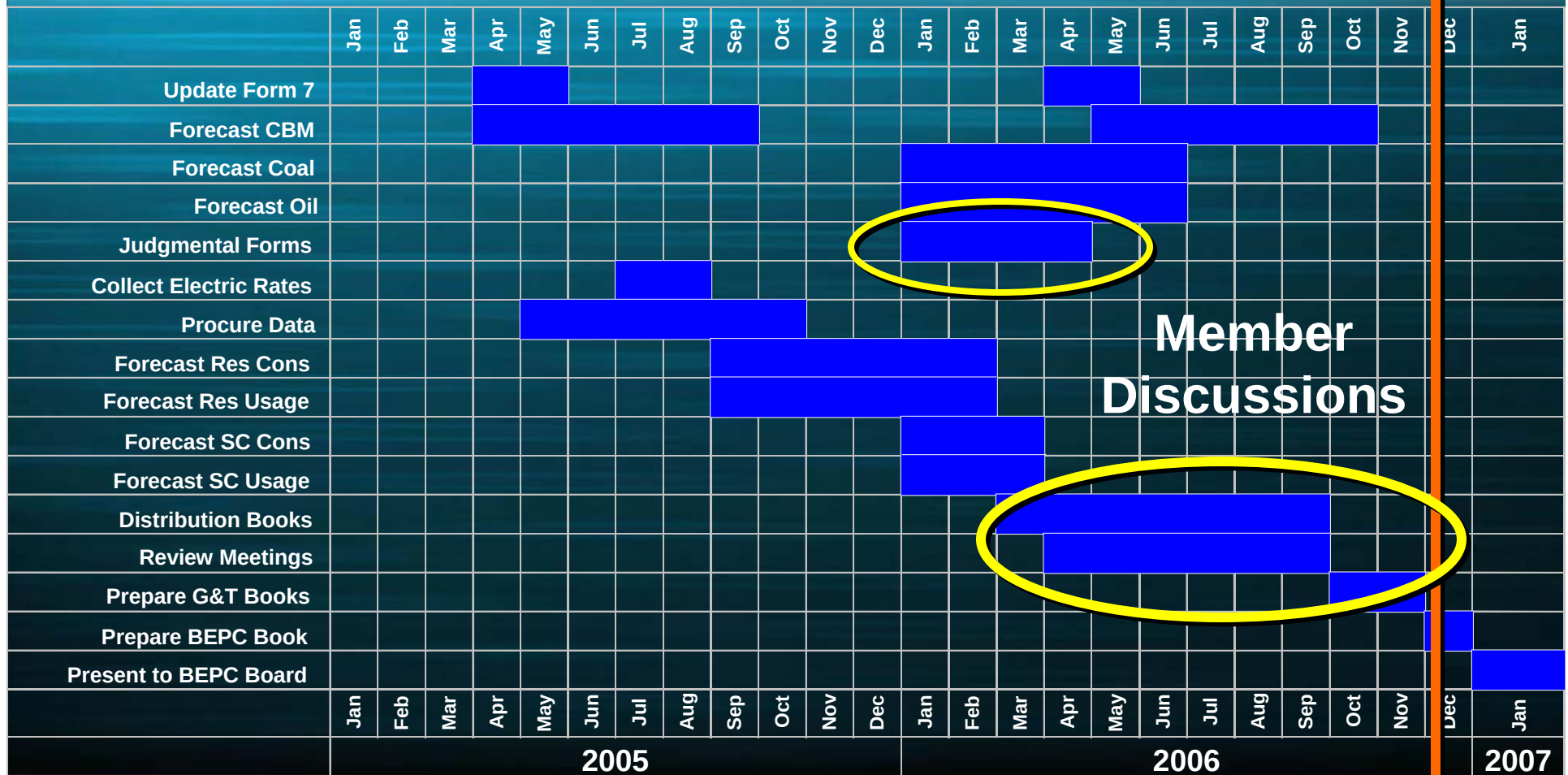
Global Energy Services

Load Forecasting System

- **250 Equations and Models**
- **550 Explanatory Variables or Drivers**
- **Membership Input**
- **Member's Review and Approval**
- **Basin Approval**
- **RUS Approval**

2007 Load Forecast

Schedule



Today

2007 Load Forecast Results



CBM

Oil

Coal

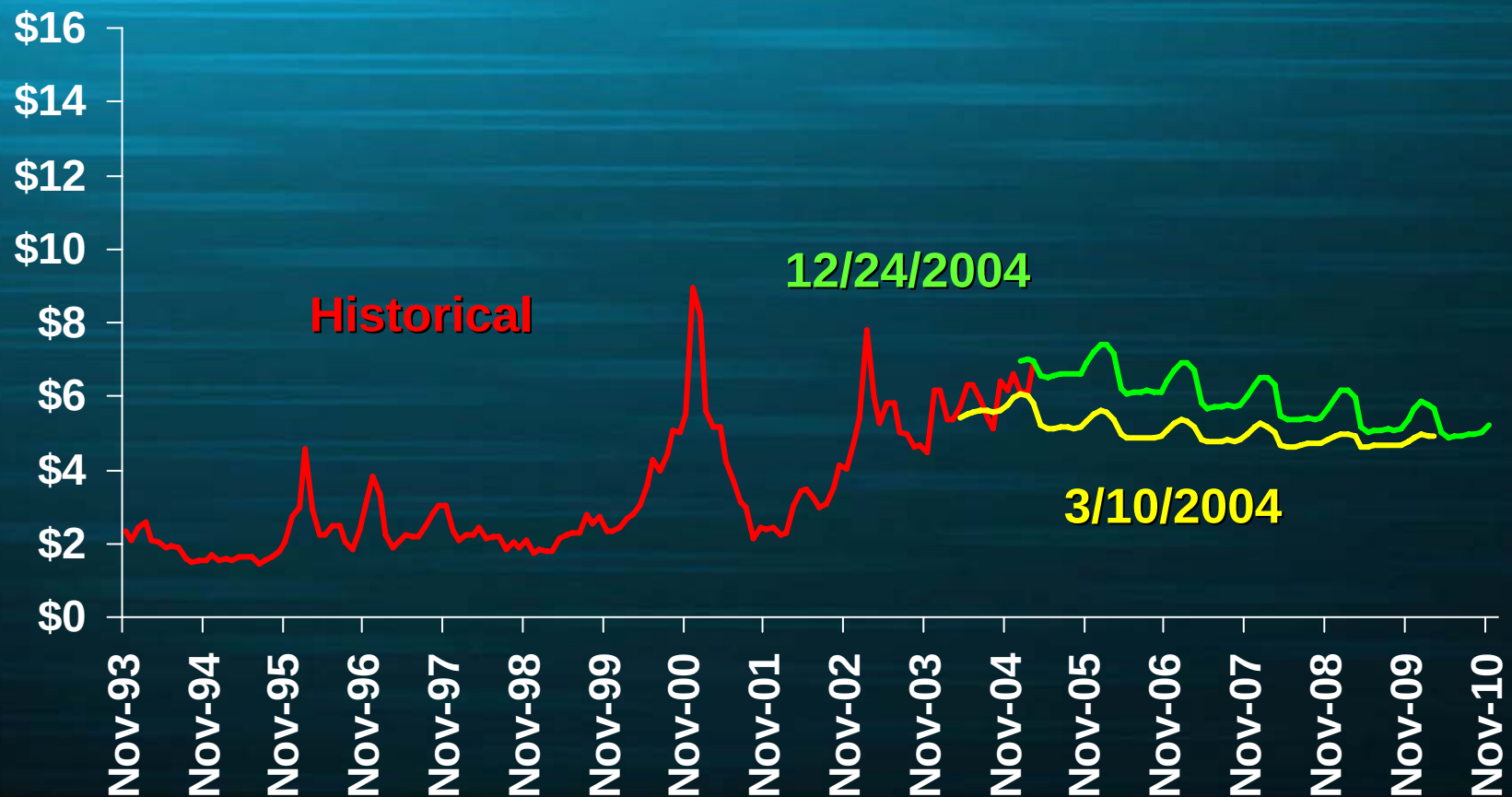
Ethanol

Residential

Natural Gas

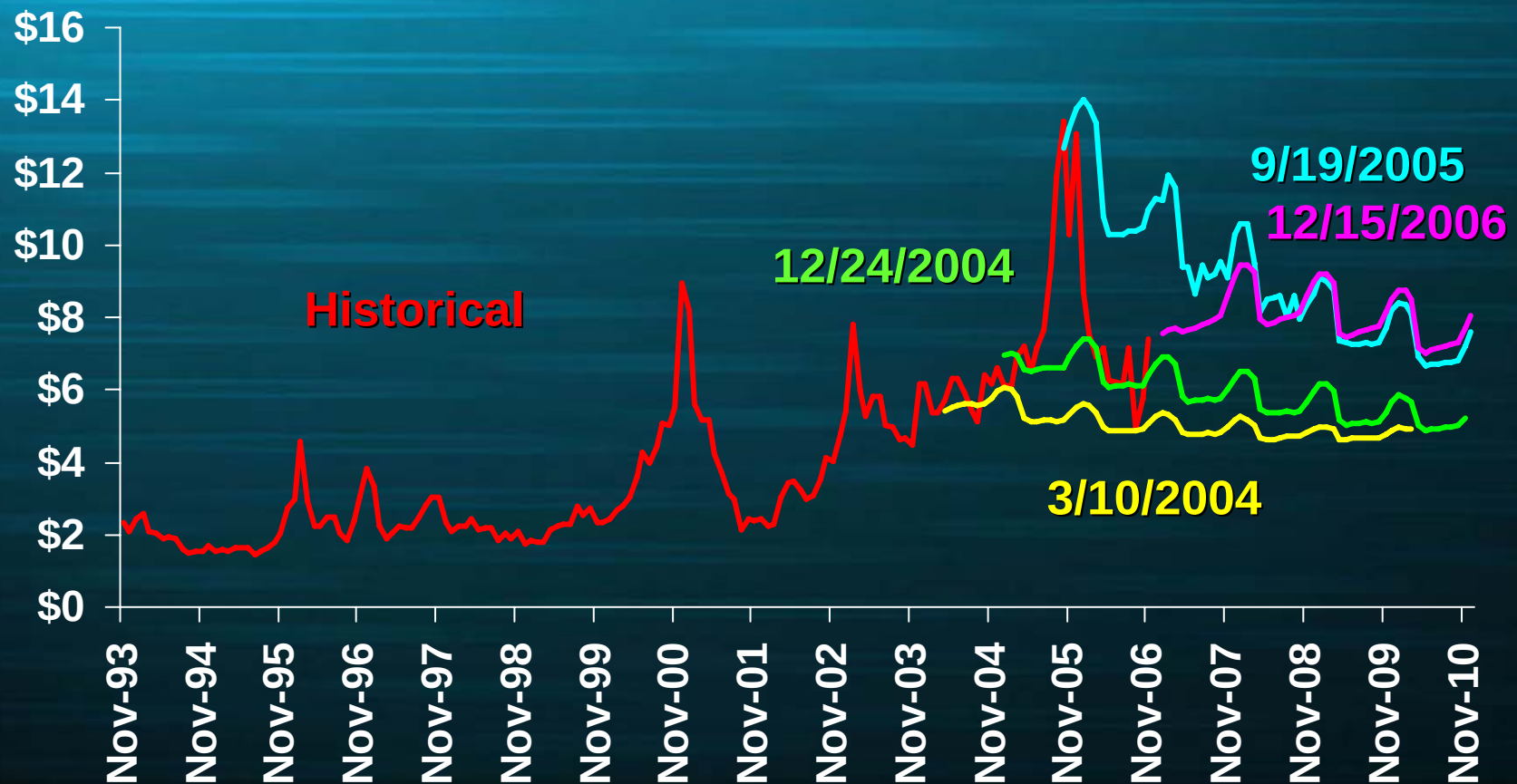
Historical Natural Gas Prices

\$/MMBtu



Historical Natural Gas Prices

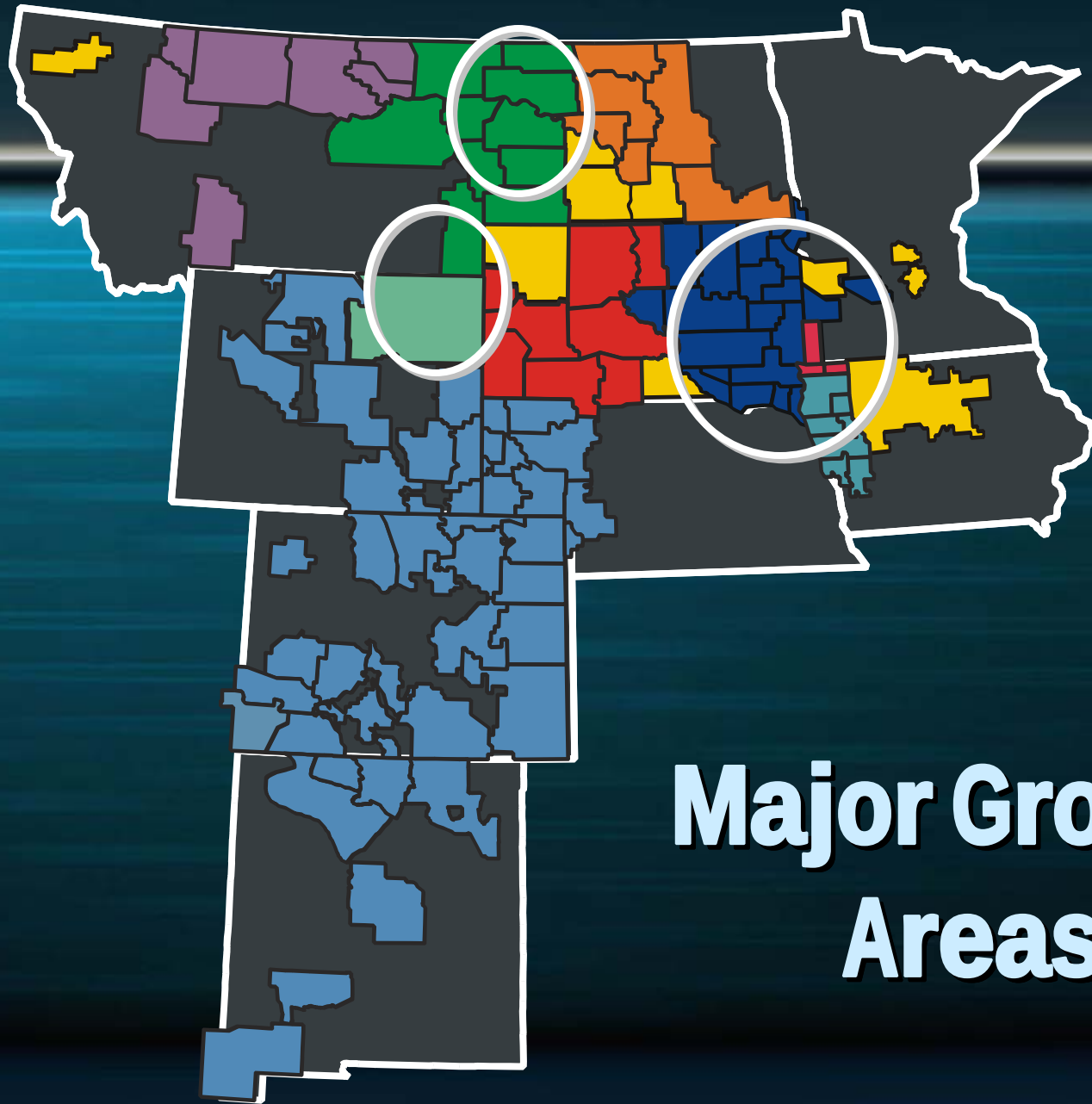
\$/MMBtu



Historical Oil Prices

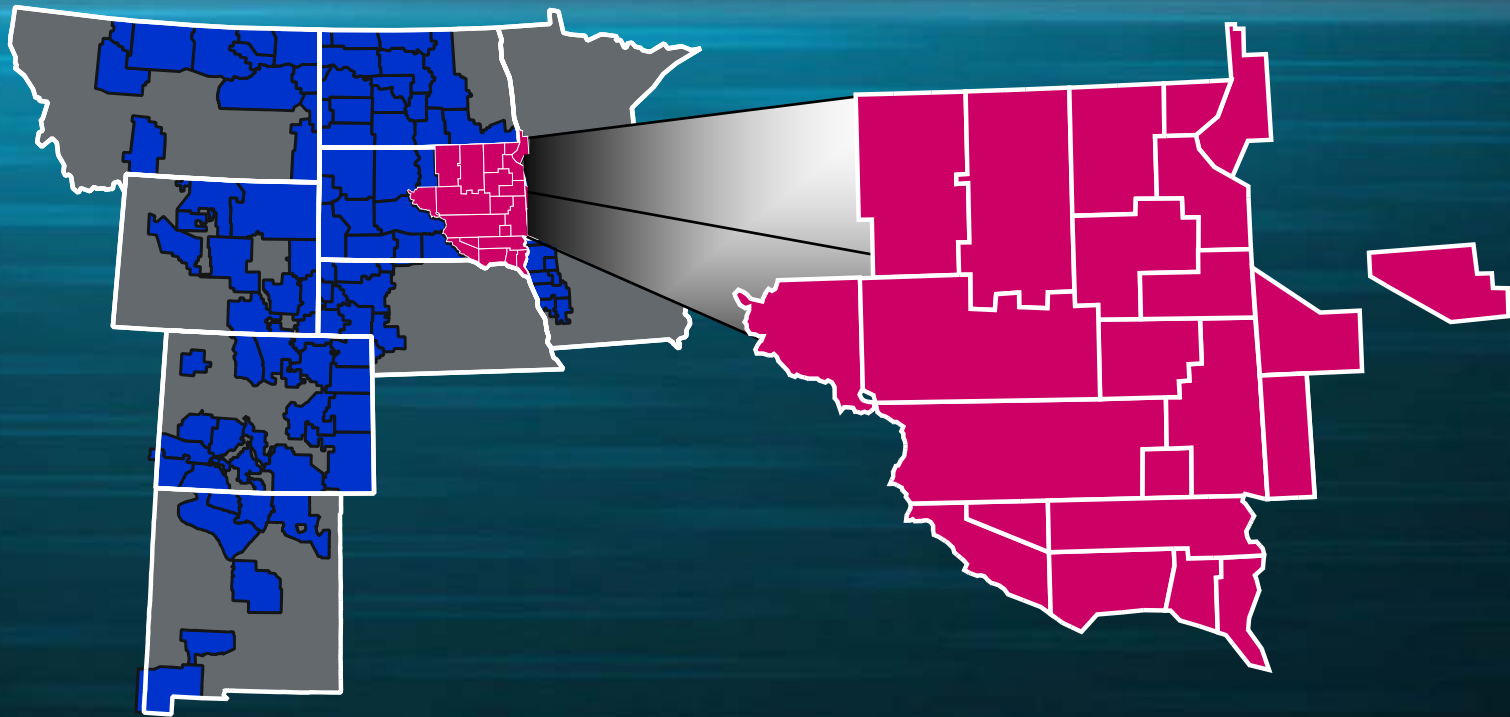
\$/Barrel





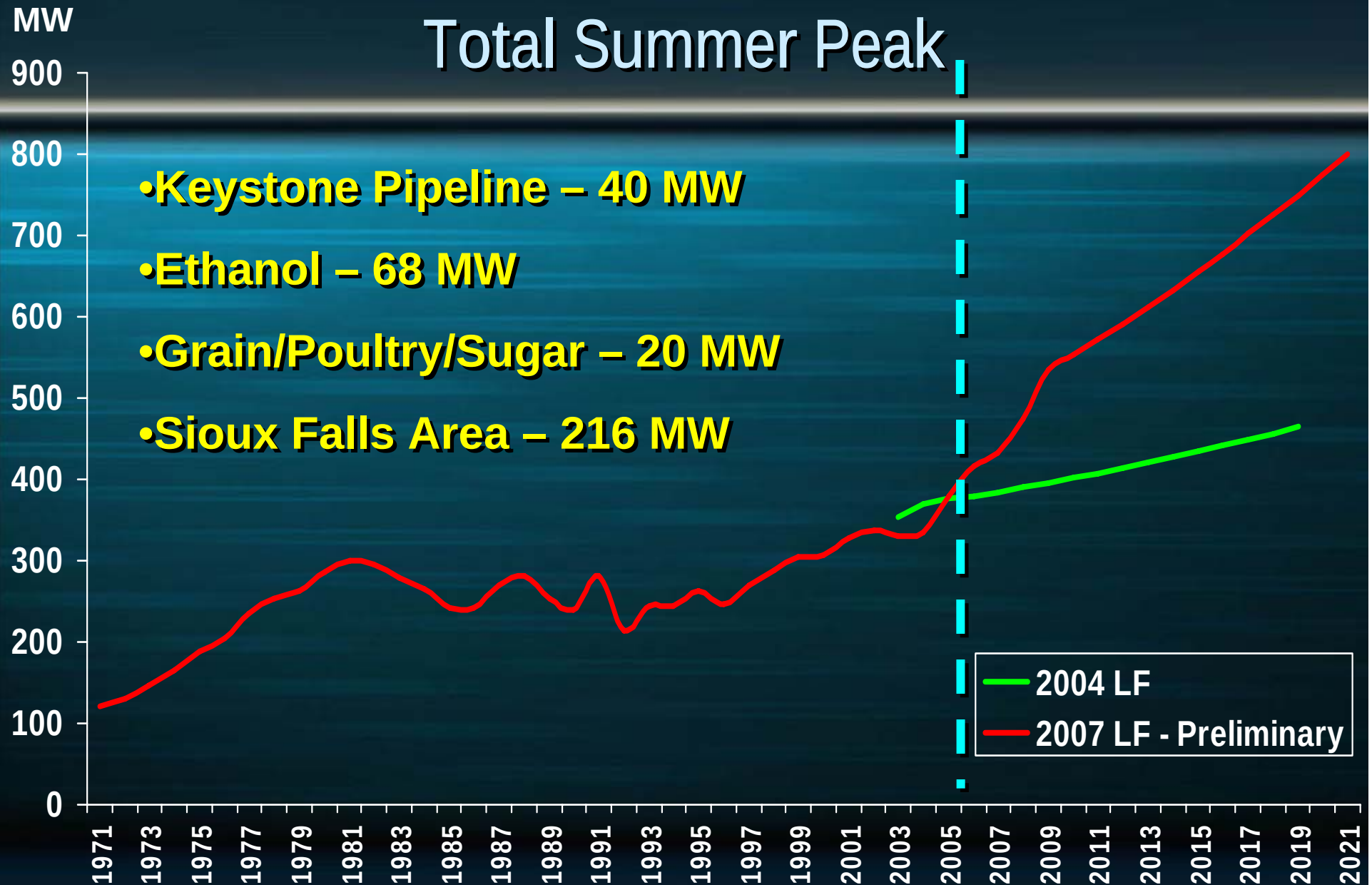
**Major Growth
Areas**

East River

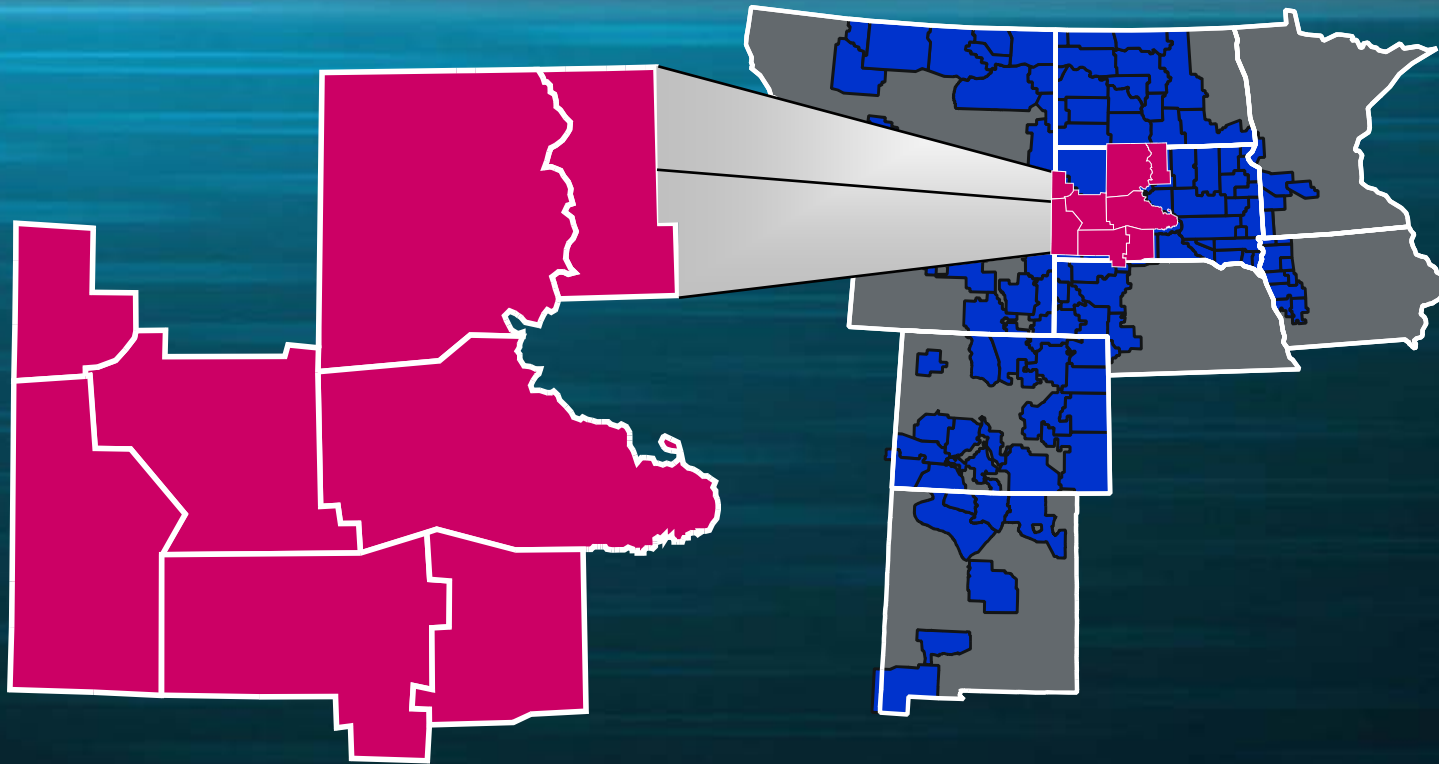


East River

Total Summer Peak

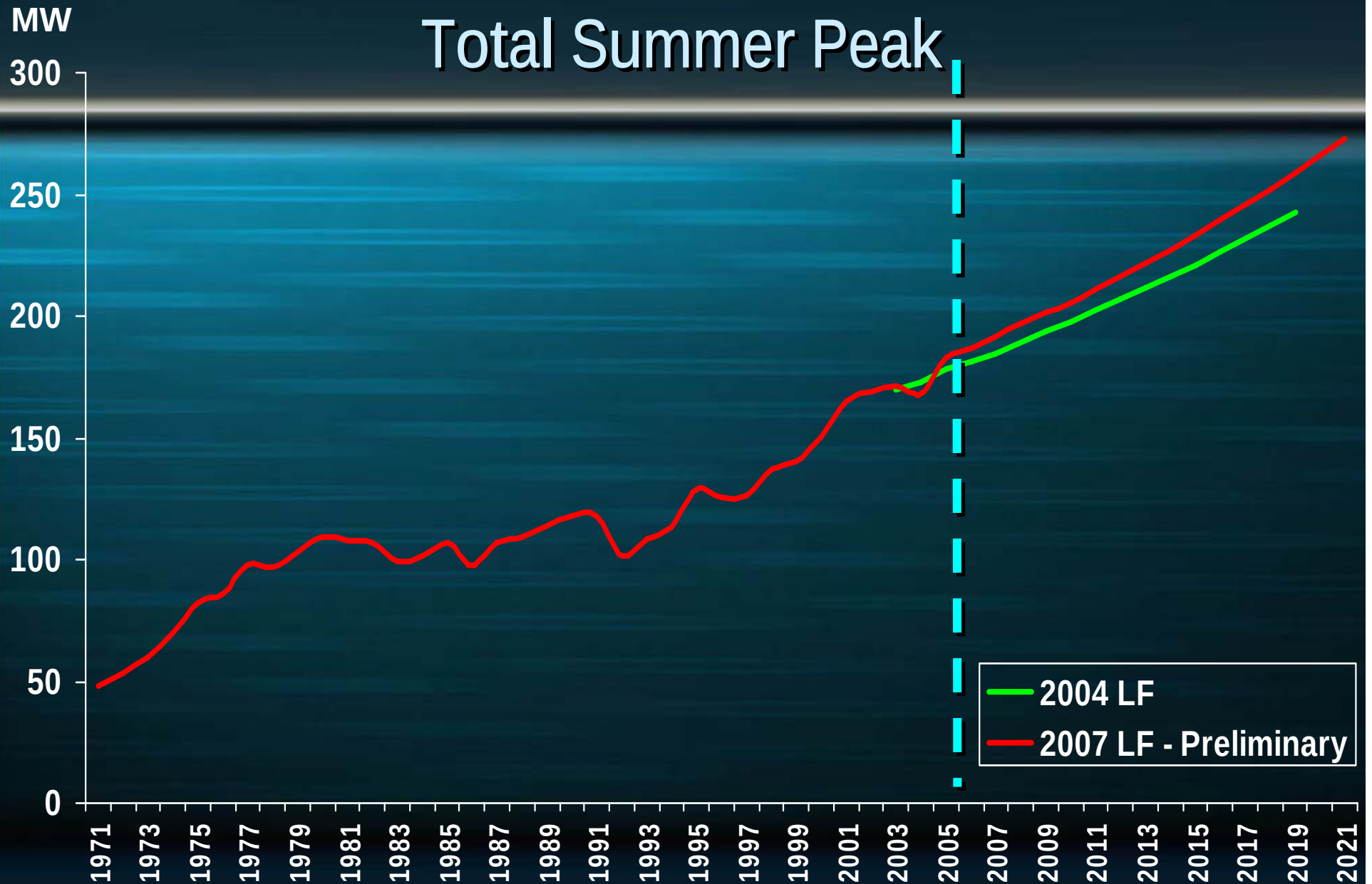


Rushmore

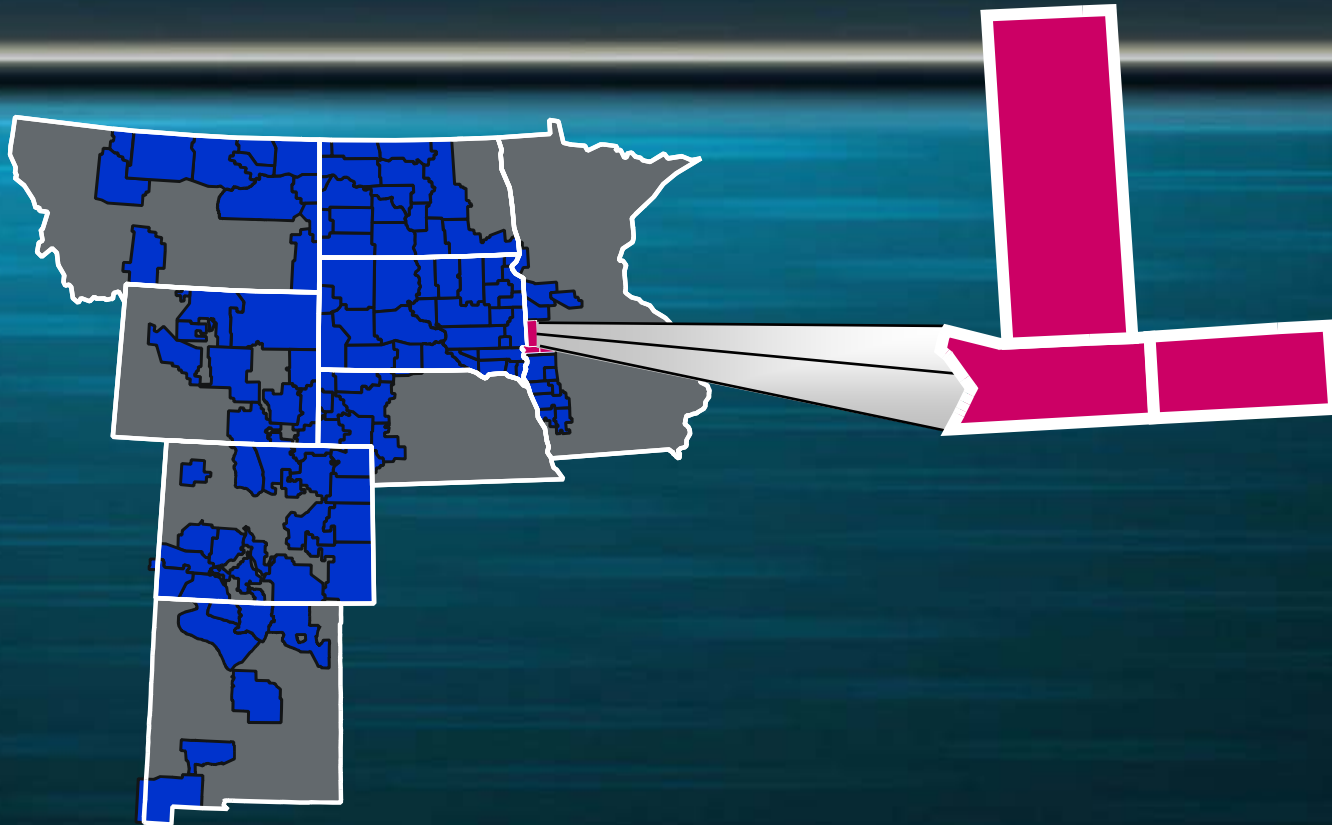


Rushmore

Total Summer Peak

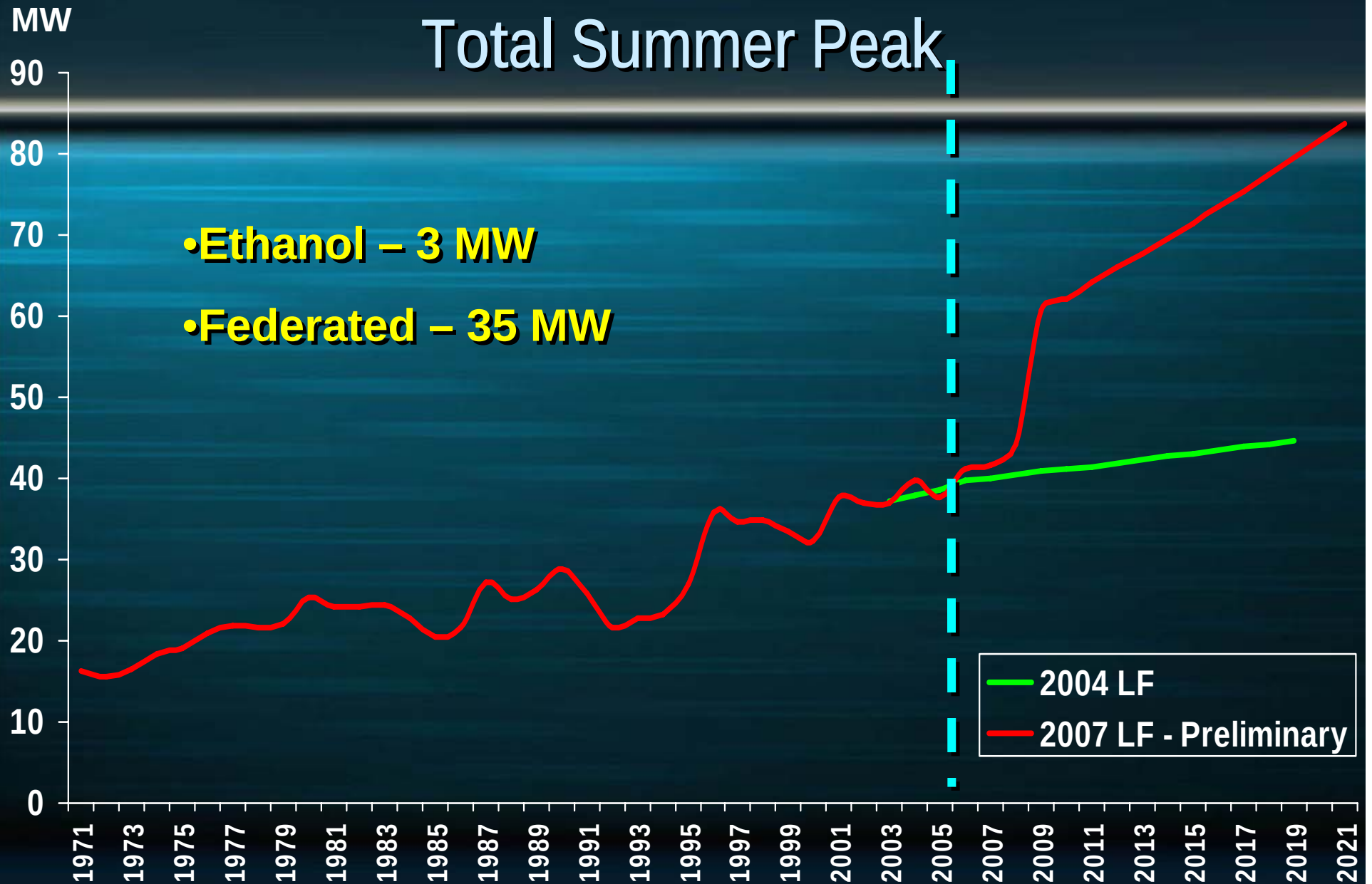


L&O

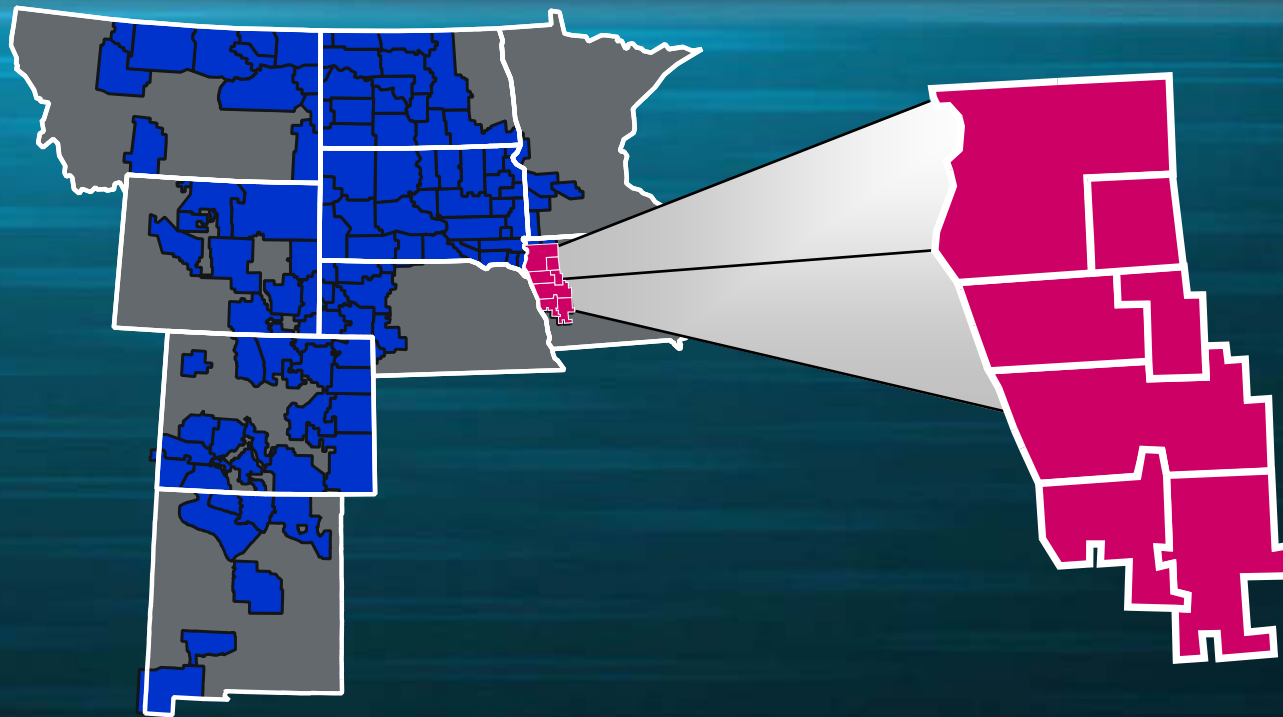


L&O

Total Summer Peak

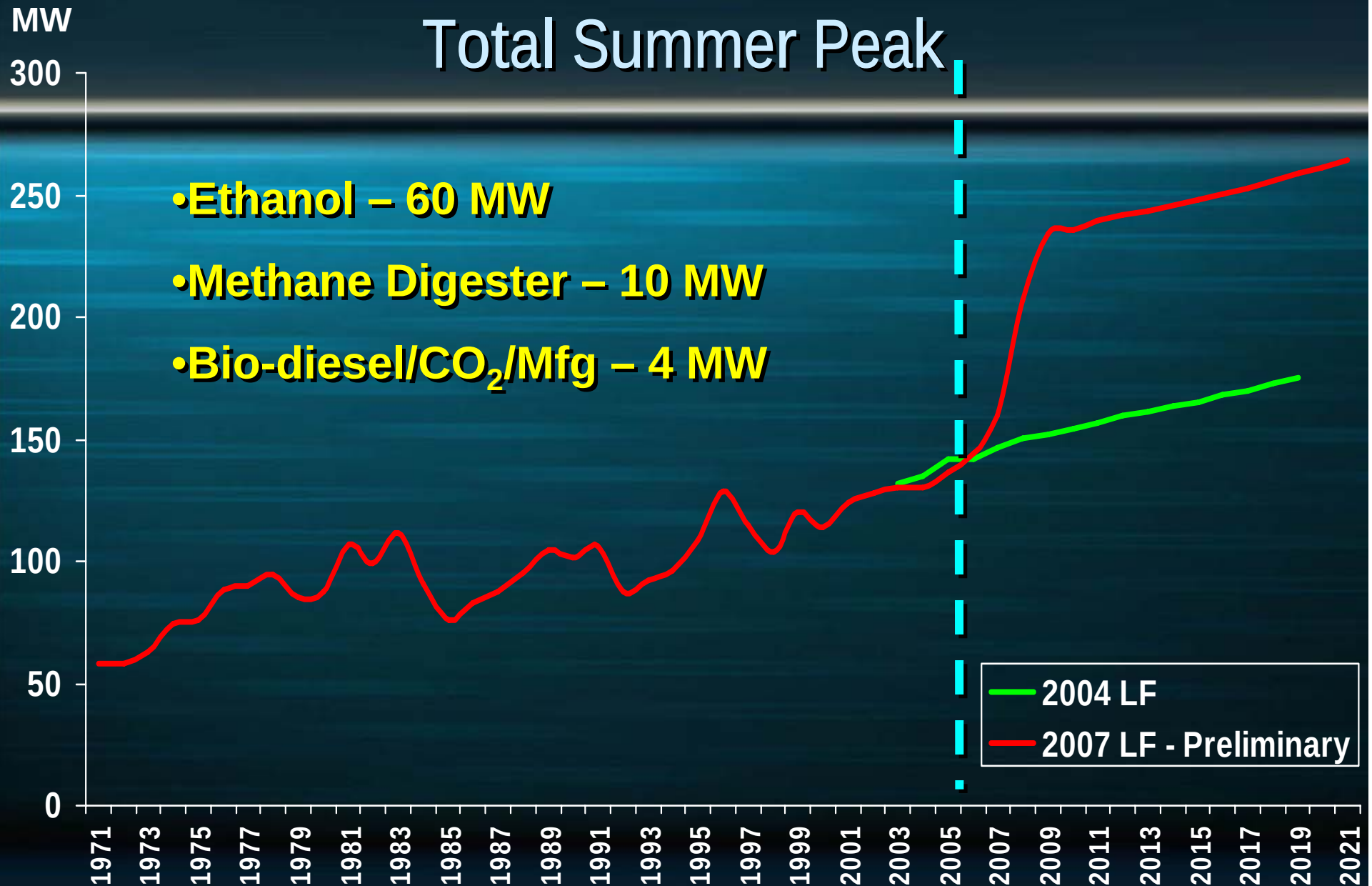


NIPCO

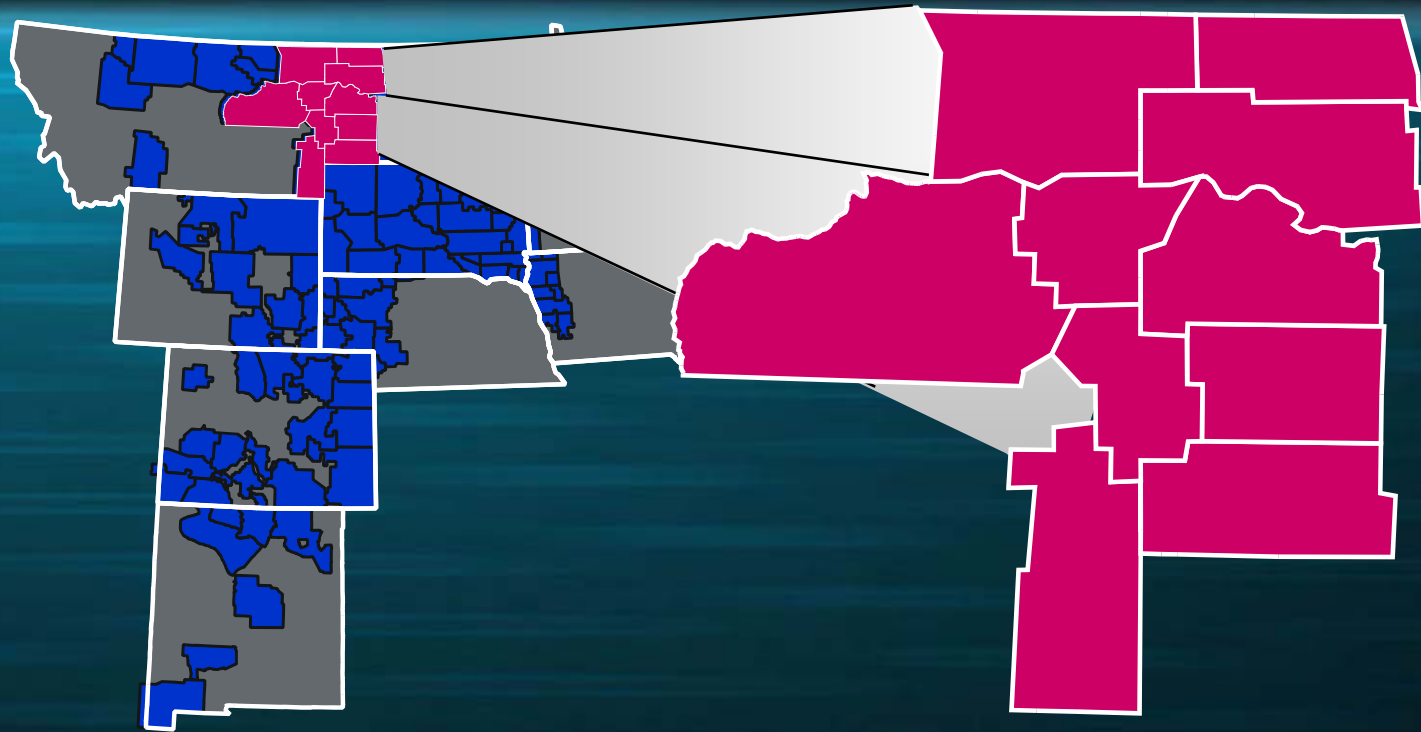


NIPCO

Total Summer Peak

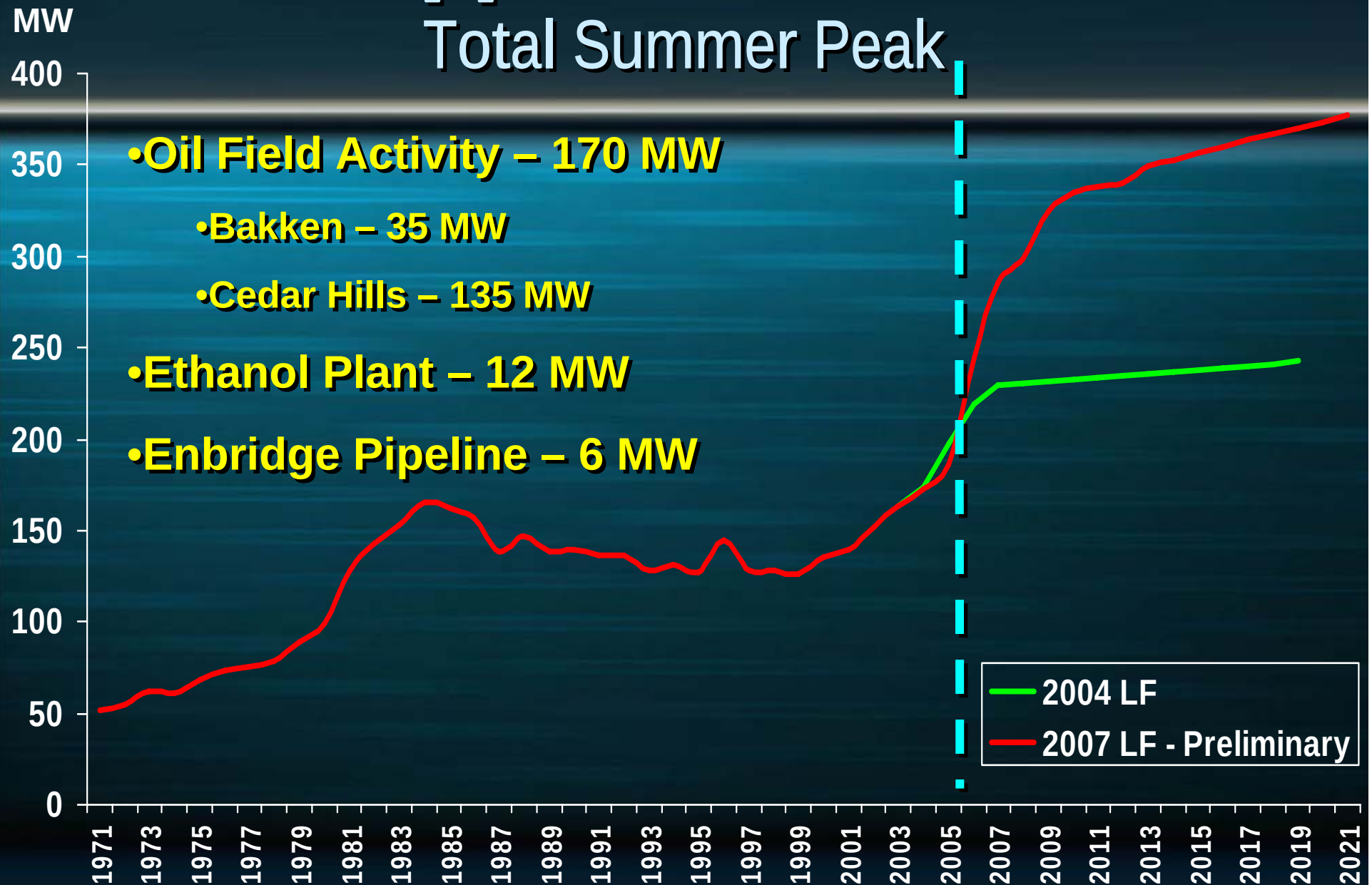


Upper Missouri

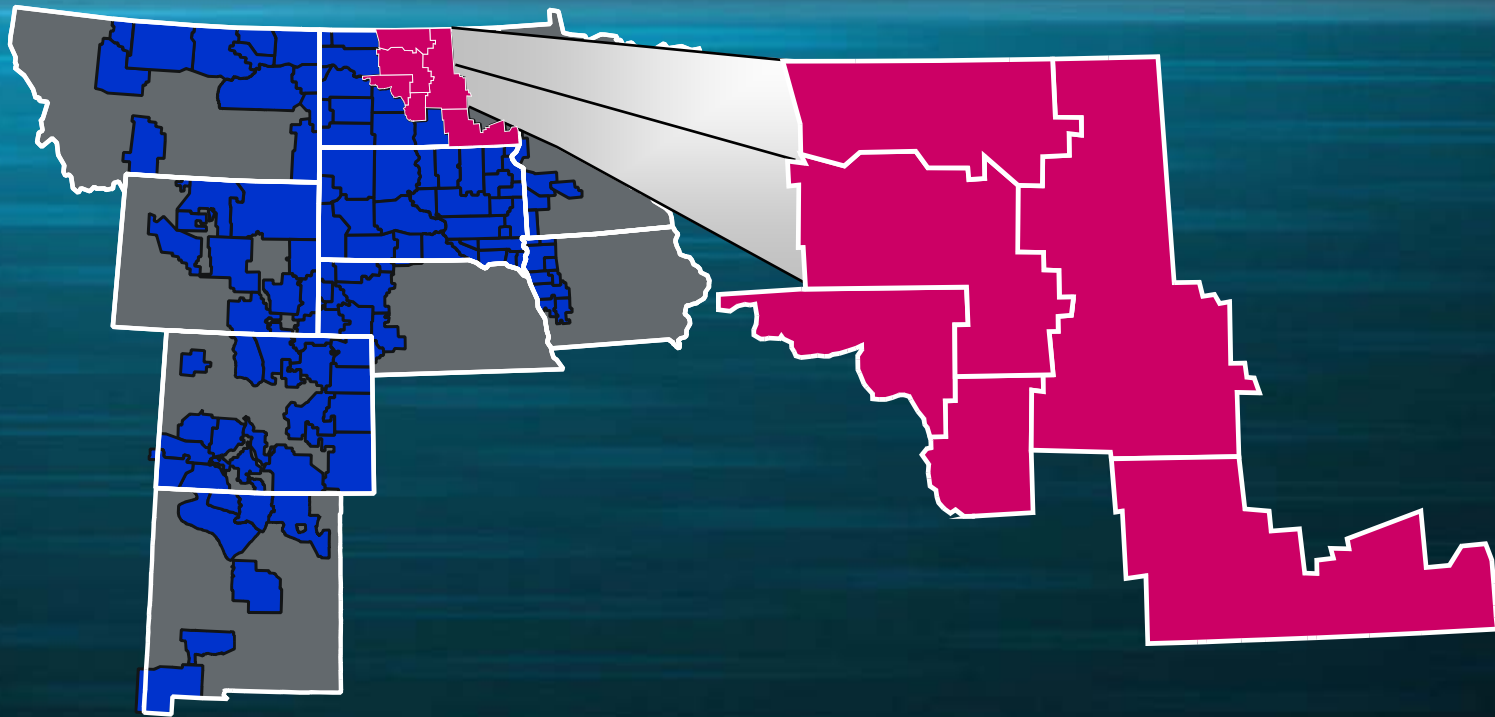


Upper Missouri

Total Summer Peak

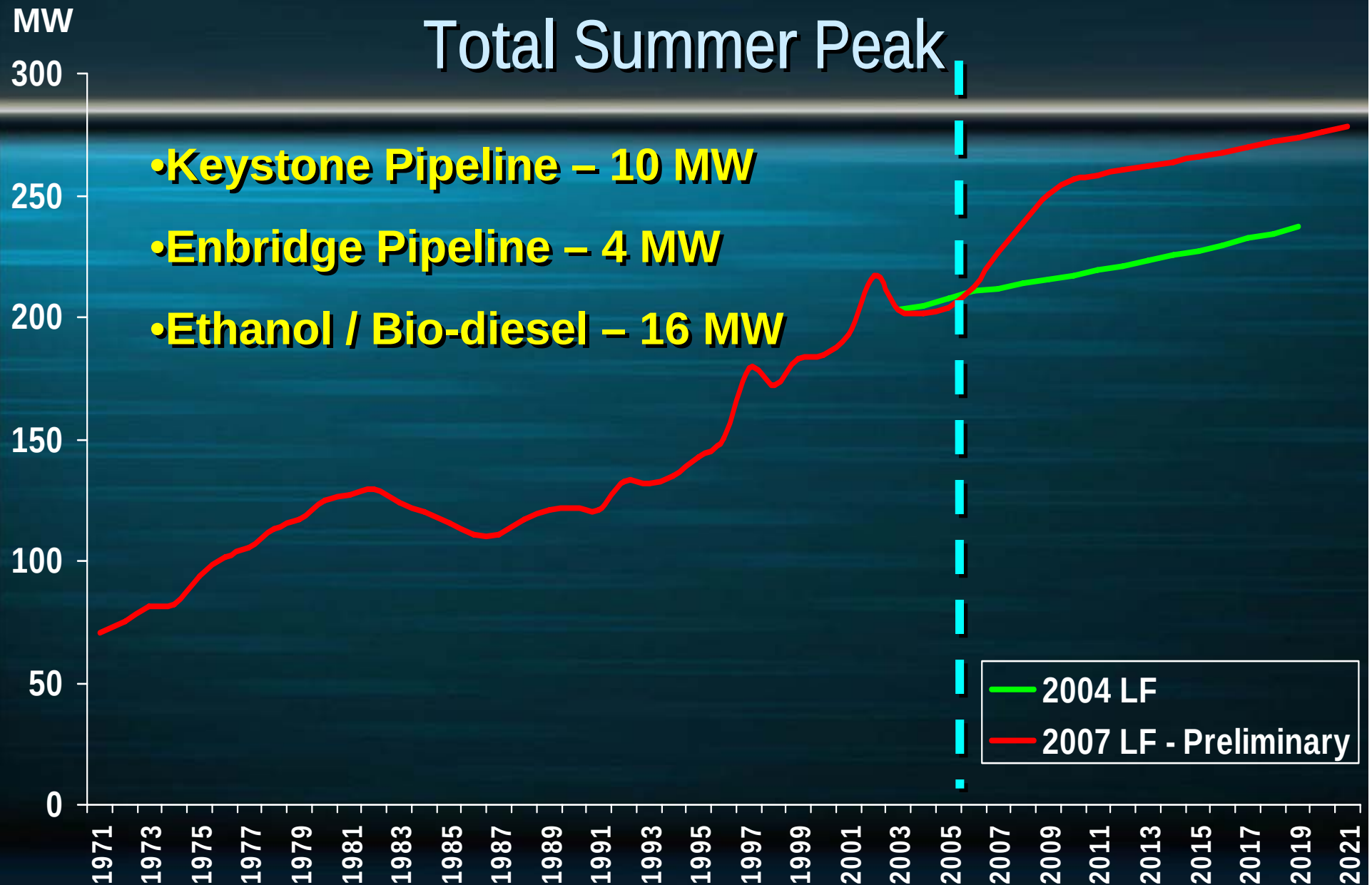


Central Power

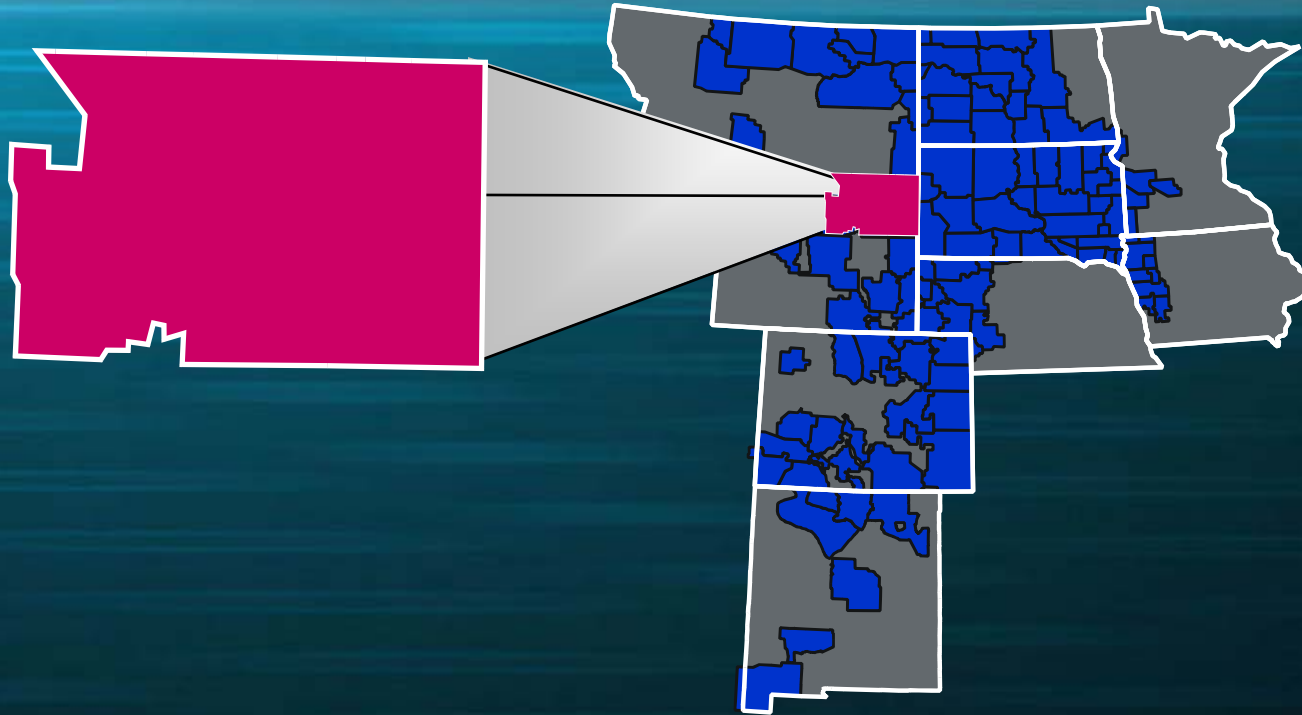


Central Power

Total Summer Peak

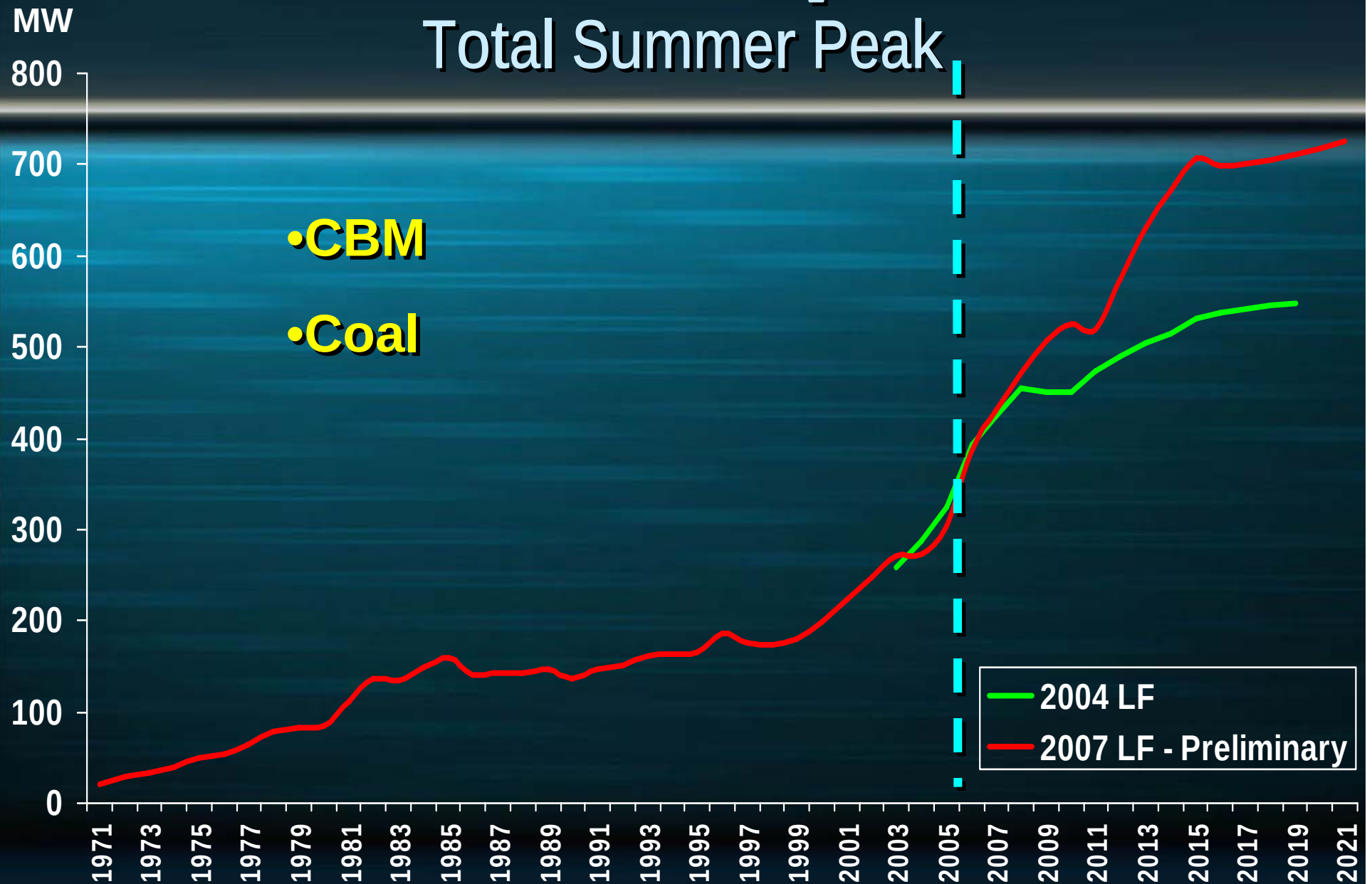


PRECorp

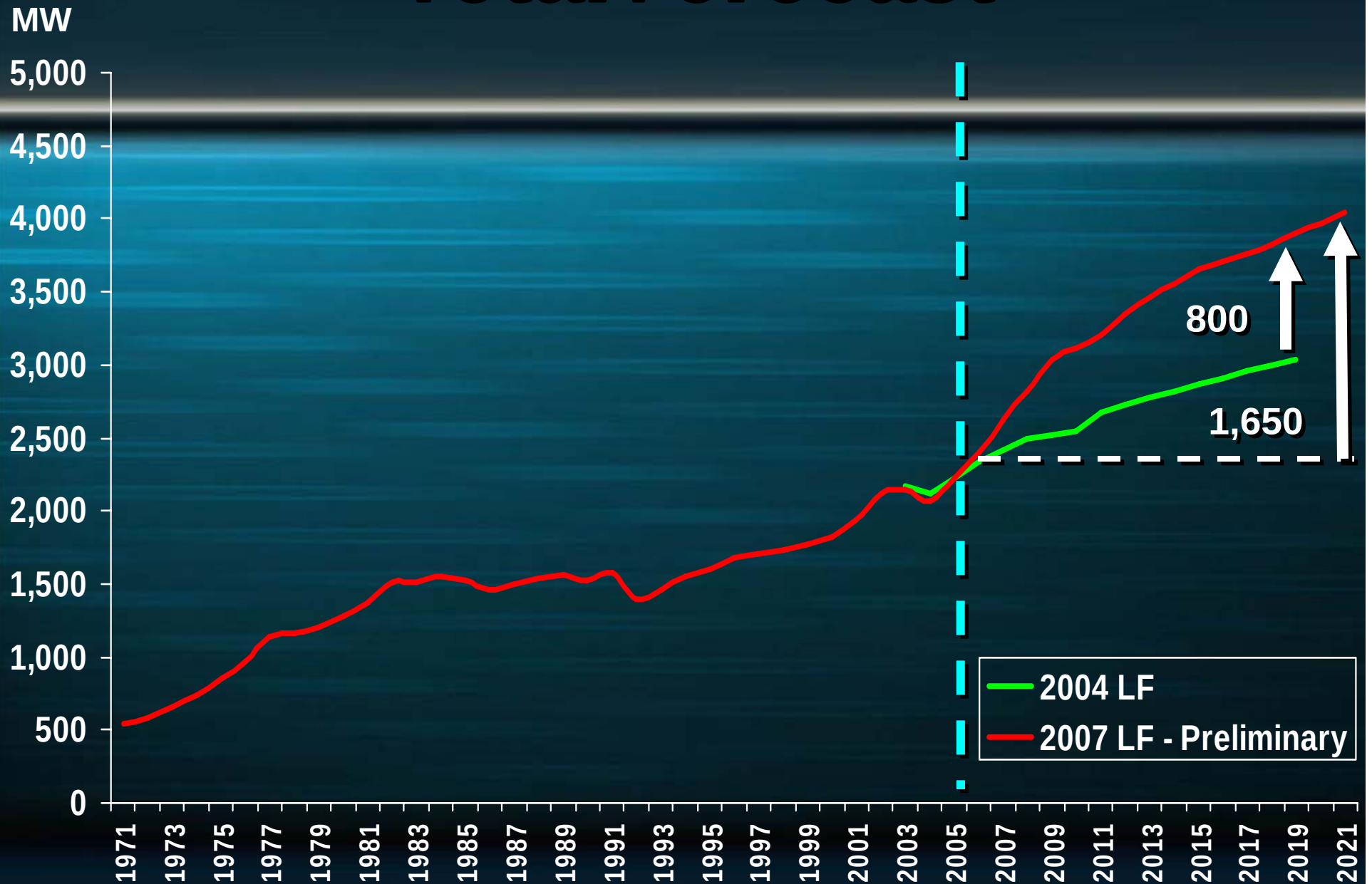


PRECorp

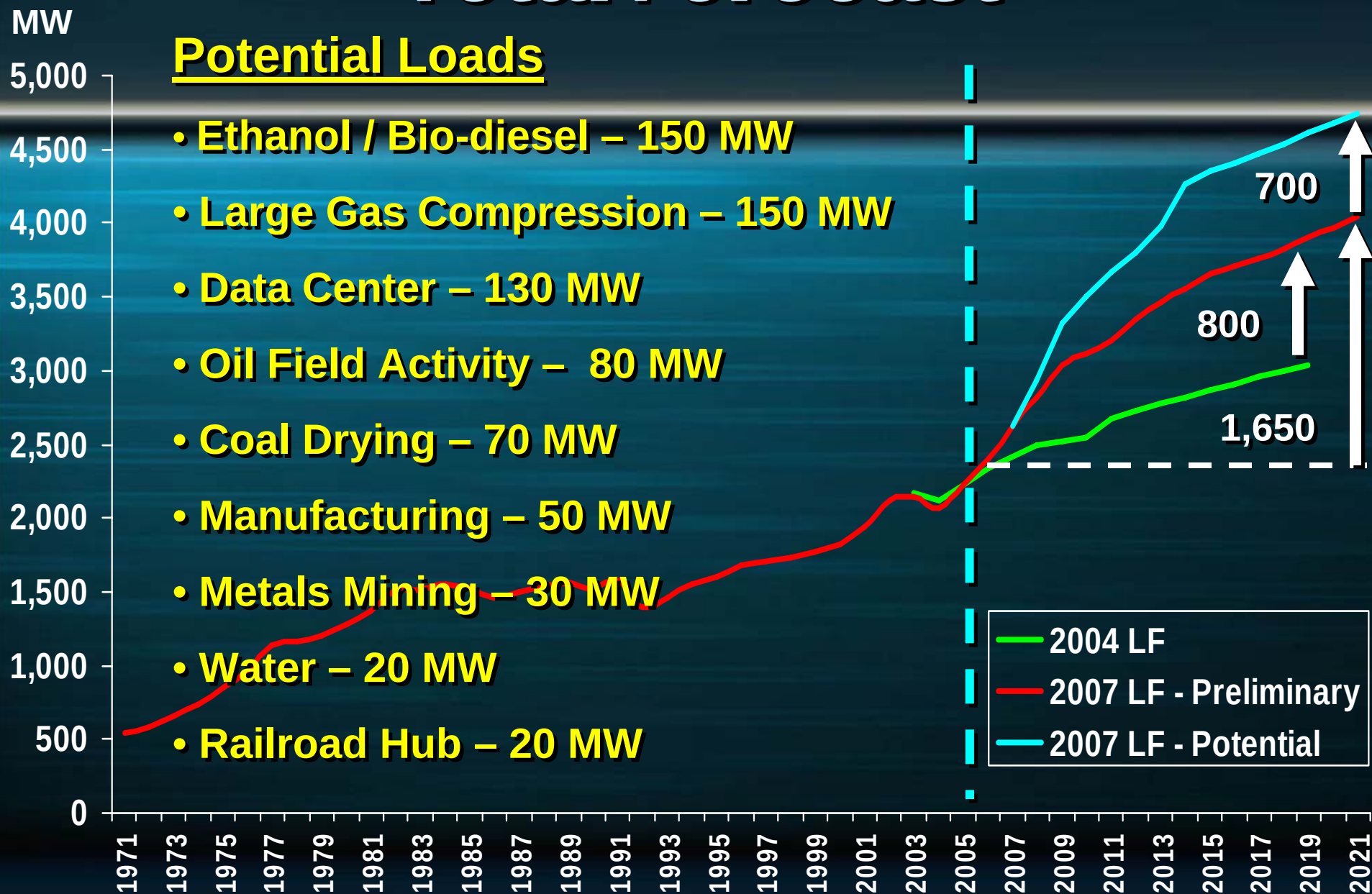
Total Summer Peak



Total Forecast



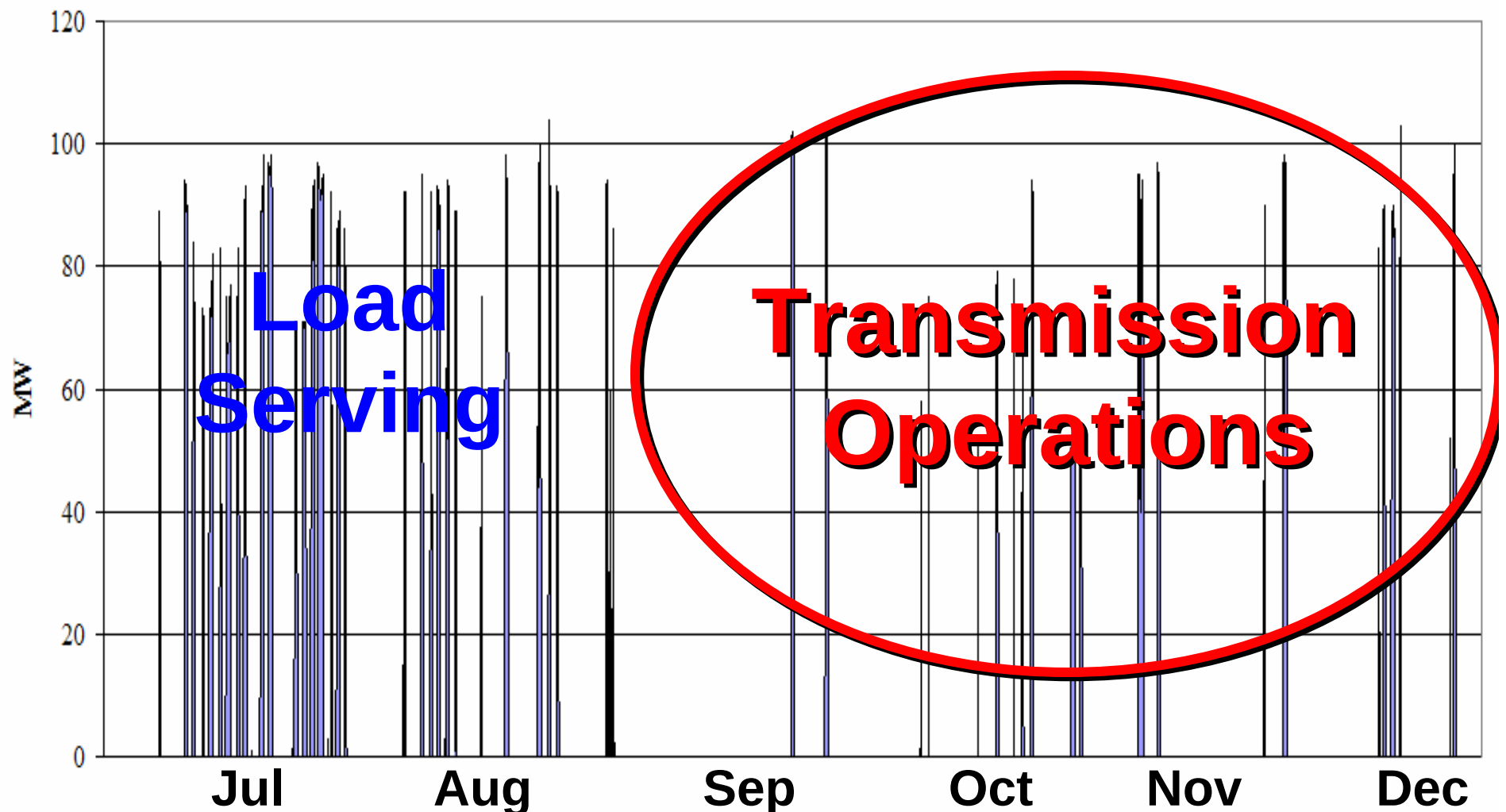
Total Forecast



The image shows a landscape with several high-voltage power transmission towers. The sun is low on the horizon, creating a bright orange and yellow glow that silhouettes the towers against a clear blue sky. The towers are steel lattice structures with multiple cross-arms supporting the power lines. The text is overlaid in the center of the image.

***Transmission
Load Serving
Capability?***

Groton 1 Operation



Resource Development

Reserves



Losses

New Resources

- **Committed New Resources**

- Groton 2 (**95 MW**)
- Dry Fork Station (**352 MW**)
- Waste Heat (**28 MW**)
- LRS Turbine Upgrades (**16 MW**)

- **Planned New Resources**

- NextGen – 700 MW (Dec 2013)
- MRY III – 100 MW (Jun 2016)
- Wind (10% Goal)
 - 2009 – 100 MW
 - 2014 – 50 MW

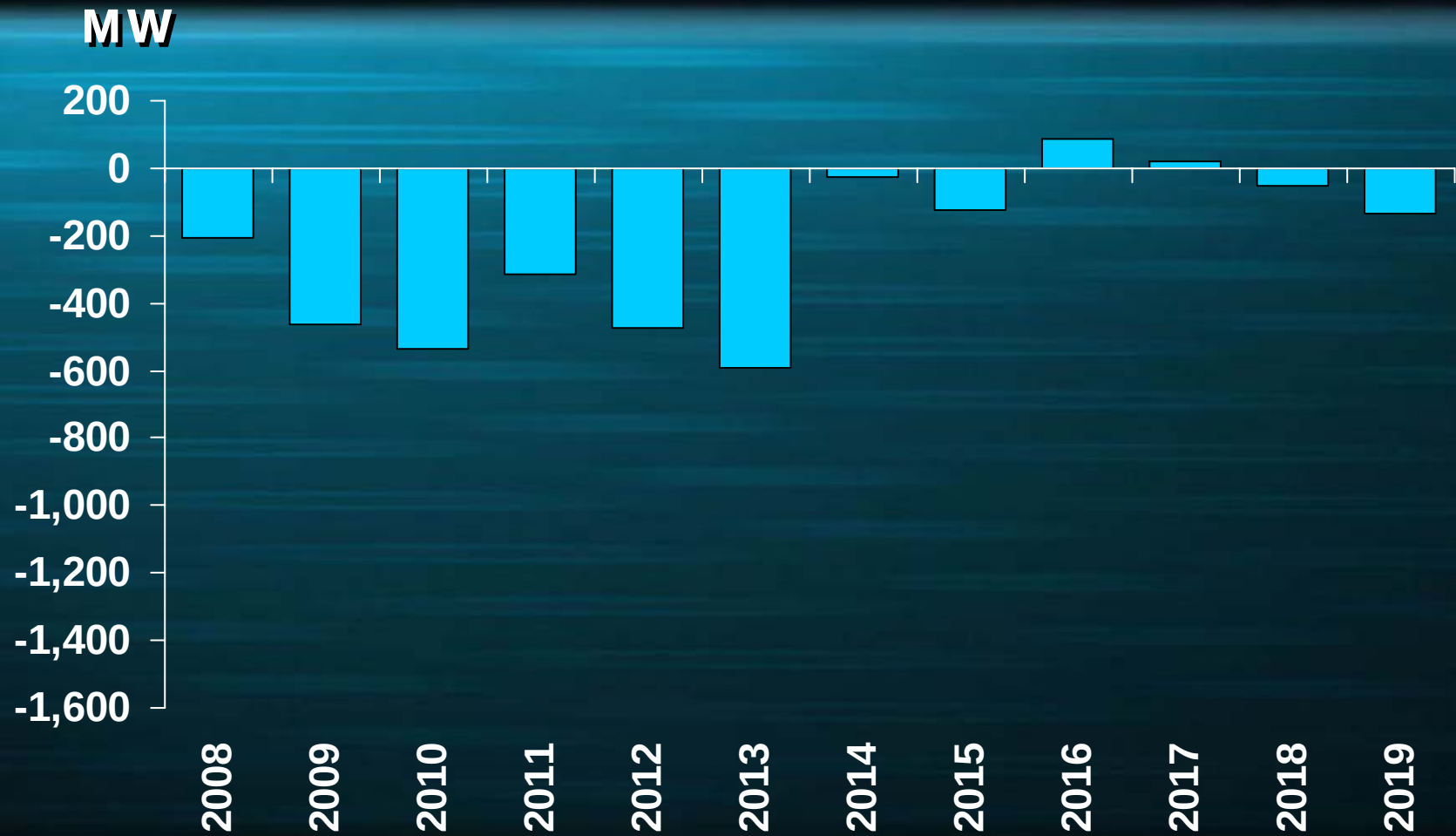
BEPC Summer Surplus

New Resources



Color GGS 2

BEPC Summer Surplus





Groton 2 Timeline

Major Concerns

- **Low Hydro**
- **Loss of generator**
- **Transmission constraints**
- **Ability to move power into the region**

Request

Basin Electric requests the SD PUC to waive the remainder of the 6-month waiting period to enable Basin Electric to submit their application in January 2007 instead of March 2007.