



Bob Sahr, Chair
Dustin Johnson, Vice-Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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October 31, 2006

Mr. Dennis Feickert
Chairman
Brown County Commission
25 Market Street
Aberdeen, SD 57401

Ms. Dorene Nelson
Chairman
Groton School Board
40776 131st Street
Groton, SD 57445-6100

Mr. Gerald Rix
Mayor
City of Groton
P. O. Box 587
Groton, SD 57445-0587

Mr. James A. Berg
Water Quality/Waste Management
Coordinator
Basin Electric Power Cooperative, Inc.
1717 East Interstate Avenue
Bismarck, ND 58503-0564

RE: In the Matter of the Filing by Basin Electric Power
Cooperative, Inc. Regarding its Notification of Intent
to Apply for a Permit for an Energy Conversion Facility
Docket EL06-025

Dear Folks:

On September 22, 2006, the Public Utilities Commission (Commission) received a notification of intent to submit an application for a permit for an energy conversion facility from Basin Electric Power Cooperative, Inc. (Basin Electric). Basin Electric is a consumer-owned, regional cooperative headquartered in Bismarck, North Dakota. Basin Electric proposes to construct an additional 100 MW (nominal) General Electric LMS100 simple-cycle gas turbine in Brown County, approximately five miles south of the city of Groton. The proposed site is located five miles south of the town of Groton, three miles north of the community of Ferney and 18 miles southeast of the city of Aberdeen, all of which is in Brown County. The turbine will be fired by natural gas supplied by the existing natural gas pipeline presently on site. This proposed project location will not require installation of any new pipeline. The proposed site has an existing Western Area Power Administration (Western) 115-kV substation, a Basin Electric 345-kV substation, and a 100 MW GE LMS100 gas turbine. An existing 345-kV transmission line owned by Basin Electric and a 115-kV line owned and operated by Western currently pass within 1/2 mile of the site. This site will be operated remotely with daytime support personnel for operating and maintenance activities. The construction phase of the project will take place over a period of 12-15 months. A maximum of approximately 30-40 construction personnel will be on

site at any given time. Basin Electric estimates the cost for this project at sixty-eight million dollars.

Under SDCL 49-41B-6, the Commission is required to designate the affected area relative to this filing and also to designate a local review committee within thirty days after the filing of the notification of intent. According to SDCL 49-41B-2(8), the term "siting area" is defined as "that area within ten miles in any direction of a proposed energy conversion facility or which is determined by the commission to be affected by a proposed energy conversion facility." In ARSD 20:10:22:01(1), "affected area" is defined as "that area which may be affected environmentally, socially, aesthetically, or economically by the location of a facility at a proposed site."

Under SDCL 49-41B-6, the Commission shall also designate the local review committee which shall be composed of the following:

- (1) The chairman of the county commissioners of each affected county;
- (2) The president of the board of education of each affected school district;
- (3) The mayor of each affected municipality; and
- (4) A representative of the applicant utility designated by the utilities.

Any person on the committee who ceases to hold such office or appointment shall be replaced on the committee by his/her successor, who shall promptly notify the Commission of such succession.

At its October 19, 2006, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission determined that the affected area for Basin Electric's proposed simple cycle gas turbine energy conversion facility is an area within six miles of the site of the proposed facility located entirely within Brown County and the Groton School District. The Commission designated the local review committee which shall be comprised of the following individuals, ex officio:

- (1) The Chairman of the Brown County Commission;
- (2) The President of the School Board of Groton School District 06-3;
- (3) The Mayor of the city of Groton;
- (4) A person appointed by Basin Electric Power Cooperative, Inc.

Therefore as the designated person of that organization, you have been appointed as one of the local review committee members.

I have enclosed a copy of the laws which sets forth the committee's duties as well as a copy of the Notice of Intent. The responsibilities of the local review committee can be summarized as follows: the local review committee shall assess the potential social and

economic effects of the proposed energy conversion facility, assess the surrounding area's ability to absorb those effects and arrive at mitigation measures.

At this time, Basin Electric has only filed its notice which indicates that it will file its application for a permit. Basin anticipates filing its application for a permit in March 2007. Within seven months after the March application is filed, the committee is required to file a final report with the Commission pertaining to its recommendations on the assessment of the effect of the facility. Pursuant to SDCL 49-41B-8 and 49-41B-9, the committee may employ other such persons to carry out the provisions of § 49-41B-7 and the expenses shall be paid from the initial fee that Basin will be required to file with its application. Expense payments and other authorized payments to committee members are to be financed by the unit of government which the members represent.

Commission Staff would suggest that the committee meet and select a chairperson. While the committee is an independent body separate from Commission Staff, Staff is available to answer any questions the committee may have. Should you need to contact Staff, please do not hesitate to contact me or Martin Bettmann or Nathan Solem, Staff Engineers.

Sincerely,

Kara Van Bockern
Staff Attorney

cc: Mr. Nathan Solem
Mr. Martin Bettmann

Enc.

(5) A representative of the applicant utility designated by the utilities.

Source: SL 1977, ch 390, § 10.

Library References

Electricity Ⓢ9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-7. Assessment by local review committee—Factors included

The local review committee shall meet to assess the extent of the potential social and economic effect to be generated by the proposed facility, to assess the affected area's capacity to absorb those effects at various stages of construction, and formulate mitigation measures. The assessment of the local review committee shall include but not be limited to consideration of the temporary and permanent alternatives in the following areas:

- (1) Housing supplies;
- (2) Educational facilities and manpower;
- (3) Waste supply and distribution;
- (4) Waste water treatment and collection;
- (5) Solid waste disposal and collection;
- (6) Law enforcement;
- (7) Transportation;
- (8) Fire protection;
- (9) Health;
- (10) Recreation;
- (11) Government;
- (12) Energy.

Source: SL 1977, ch 390, § 12.

Library References

Electricity Ⓢ9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-8. Employment of personnel by committee—Expenses—Information furnished by commission

The local review committee may employ such persons as determined by the Public Utilities Commission which may be required to carry out the provisions of § 49-41B-7 and the expenses of said staff shall be paid from the initial filing fee. The commission shall furnish copies of the application to the members of the local review committee and all other information which the commission determines that the committee should receive.

Source: SL 1977, ch 390, § 14.

Library References

Electricity Ⓢ9(2).
Westlaw Key Number Search: 145k9(2).

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49-41B-9. Financing of committee expenses

Expense payments and other authorized payments to members of the local review committee for their service on the committee shall be financed by the unit of government or utility which they represent.

Source: SL 1977, ch 390, § 11.

Library References

Electricity Ⓢ9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-10. Final report of committee

Within seven months after the application is filed the local review committee shall file a final report with the Public Utilities Commission which includes the recommendations of the committee as to mitigation measures and minority reports.

Source: SL 1977, ch 390, § 13.

Library References

Electricity Ⓢ9(2).
Westlaw Key Number Search: 145k9(2).

49-41B-11. Applications for permit—Filing deadline—Form—Contents

All applications for a permit shall be filed with the Public Utilities Commission not less than six months prior to the planned date of commencement of construction of a facility in such form as prescribed by rules, and shall contain, but not be limited to, the following information:

- (1) The name and address of the applicant;
- (2) Description of the nature and location of the facility;
- (3) Estimated date of commencement of construction and duration of construction;
- (4) Estimated number of employees employed at the site of the facility during the construction phase and during the operating life of the facility. Estimates shall include the number of employees who are to be utilized but who do not currently reside within the area to be affected by the facility;
- (5) Future additions and modifications to the facility which the applicant may wish to be approved in the permit;
- (6) A statement of the reasons for the selection of the proposed location;
- (7) Person owning the proposed facility and person managing the proposed facility;
- (8) The purpose of the facility;
- (9) Estimated consumer demand and estimated future energy needs of those consumers to be directly served by the facility;

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**BASIN ELECTRIC
POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0564
PHONE 701-223-0441
FAX: 701/224-5336

RECEIVED EL 06-02

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**



September 18, 2006

Patricia Van Gerpen
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5072

RE: Notification of Intent for Basin Electric Power Cooperative's proposed Groton
Generation Station Unit 2

Dear Ms. Van Gerpen:

Basin Electric Power Cooperative (Basin Electric) is a consumer-owned, regional cooperative headquartered in Bismarck, North Dakota. Basin Electric is proposing to construct an additional 100 MW (nominal) General Electric LMS100 simple-cycle gas turbine in Brown County, approximately five miles south of the city of Groton. The estimated cost for this project is \$68 million.

The proposed site is located five miles south of the town of Groton, three miles north of the community of Ferney, and ~~eight~~^{eighteen} miles southeast of the city of Aberdeen, all of which are in Brown County.

The turbine will be fired by natural gas supplied by the existing natural gas pipeline presently on site. This proposed project location will not require installation of any new pipeline.

The proposed site has an existing Western Area Power Administration (WAPA) 115-kV substation, a Basin Electric 345-kV substation, and a 100 MW GE LMS100 gas turbine. An existing 345-kV transmission line owned by Basin Electric and a 115-kV line owned and operated by WAPA currently pass within one-half mile of the site.

This site will be operated remotely with daytime support personnel for operating and maintenance activities. The construction phase of the project will take place over a period of 12-15 months. A maximum of approximately 30-40 construction personnel will be on site at any given time.

Known permits that have been identified for this project are as follows:

- Siting an Energy Conversion Facility – South Dakota Public Utility Commission
- Air Emission Permit – South Dakota Department of Environment and Natural Resources
- Storm Water Construction Permit – South Dakota Department of Environment and Natural Resources

Basin Electric will be providing a supplement to the existing Environmental Assessment (EA) in accordance with the Rural Utilities Service (RUS) requirements for this project.

The following is a preliminary listing of names and addresses in the anticipated effected area of the proposed plant site:

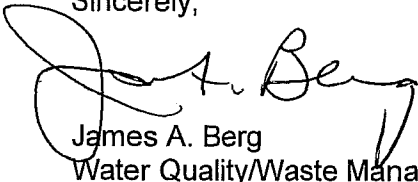
Mr. Dennis Feickert, Chairman
Brown County Commission
25 Market Street
Aberdeen, SD 57401

Mr. Gerald Rix, Mayor
City of Groton
209 North Main
P.O. Box 587
Groton, SD 57445-0587

Ms. Dorene Nelson, Chairman
Groton School Board
40776 131st Street
Groton, SD 57445-6100

If you have any questions, please contact me. Thank you.

Sincerely,



James A. Berg
Water Quality/Waste Management Coordinator

/gmj

cc: Jim K. Miller