

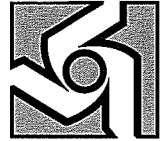
**BASIN ELECTRIC
POWER COOPERATIVE**

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

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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 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:

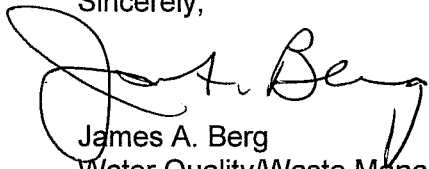
Mr. Dennis Feickert, Chairman
Brown County Commission
25 Market Street
Aberdeen, SD 57401

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