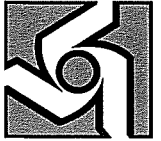


**BASIN ELECTRIC  
POWER COOPERATIVE**

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



December 5, 2006

**FOR DELIVERY WEDNESDAY, DECEMBER 6, 2006**

Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
Capitol Building; 1<sup>st</sup> Floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070

RECEIVED

DEC 06 2006

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Re: EL06-025

Dear Ms. Van Gerpen:

The purpose of this letter is to request that the South Dakota Public Utilities Commission (PUC) exercise its authority under SDCL § 49-41B-23 to waive a portion of the six-month waiting period imposed by § 49-41B-5 between the filing of a notification of intent and the submission of the application for a permit to construct a generation facility under SDCL Chapter 49-41B. A summary of the facts relevant to this request are as follows:

On September 18, 2006, Basin Electric Power Cooperative (Basin Electric) submitted to the PUC a notice of intent (**Notice**) to file an application for a permit to construct a second 100 megawatt, gas-fired turbine-generator near Groton, South Dakota (Docket No. EL06-025). Pursuant to SDCL § 49-41B-5, Basin Electric cannot submit its application for a permit until March 27, 2007, absent a waiver of a portion of the six-month waiting period set forth therein.

For the reasons stated in more detail below, Basin Electric requests that the remainder of the notice period set forth in SDCL § 49-41B-5 be waived by the PUC so that the application for the permit to construct can be submitted on or about January 5, 2007. The goal of such earlier submission is to expedite the application and review process so that construction of the project can begin June 1, 2007. If construction is commenced in that time frame, the turbine-generator will be placed in service in June, 2008.

Basin Electric strongly believes that the need for the capacity to produce additional electric power and energy with the new turbine-generator at the earliest possible time in 2008 satisfies the criteria set forth in SDCL § 49-41B-23. There has been a dramatic and unforeseen increase in the rate of growth of demand for electric power in the areas of eastern South Dakota and western North Dakota served by Basin Electric. This increase is attributable in substantial part to the dramatic growth in industrial loads (including but not limited to new ethanol plants) driven by substantial energy price increases.

In addition, current and projected low water conditions on the Federal hydro system, transmission constraints, and generator outages in the Upper Midwest, make it possible that problems could occur with respect to reliable delivery of electric power to certain areas of Basin Electric's service territory in the Upper Midwest if the turbine-generator is not completed and placed into service as early as possible in 2008.

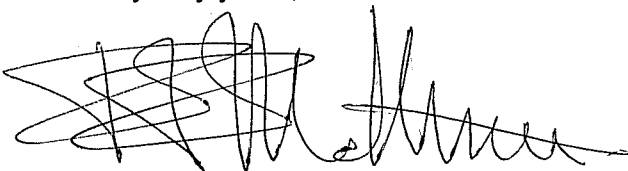


Basin Electric emphasizes that this waiver request is strictly limited in scope to the remainder of the waiting period between submission of the Notice of Intent and submission of the application. Basin Electric is not requesting modification, abbreviation or elimination of any other requirement, time frame or process relating to the review of the application and/or grant of the permit to construct.

Accordingly, Basin Electric requests this waiver request be submitted to the PUC for its consideration and placed on the agenda for its regularly scheduled meeting on December 19, 2006. It is requested that Basin Electric be allotted approximately 20 minutes for a presentation in support of its request.

Please advise me if anything further is required in support of this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Russell Mather". The signature is fluid and cursive, with a large initial "R" and "M".

R. Russell Mather  
Staff Counsel

rrm/mw

cc: Dave Raatz  
Jim K. Miller  
Jim Berg  
Dick Shaffer