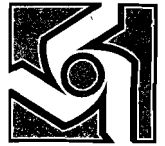


BASIN ELECTRIC POWER COOPERATIVE

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



April 25, 2007

Ms. Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480



Dear Ms. Jeffcoat-Sacco:

Pursuant to the provisions of Chapter 49-22 of the North Dakota Century Code and implementing rules, Basin Electric hereby notifies you of its intent to construct a 230 kV transmission line from the Western Area Power Administration's (**Western**) Belfield Substation east of Belfield, North Dakota, to a new 230 kV substation to be built south of Rhame, North Dakota.

1. Description of Size and Type of Facility and the Area to be Served

The facility would consist of a 230 kV transmission line approximately seventy (70) miles in length, beginning at Western's Belfield Substation east of Belfield, North Dakota, to a new 230 kV substation to be built south of Rhame, North Dakota and interconnected to the existing Miles City, Montana to New Underwood, South Dakota 230 kV line owned by Western, Basin Electric and MDU.

The transmission line is needed to increase the load-serving capacity and reliability of the interconnected transmission system in southwestern North Dakota, due primarily to expanding oil development and related increased electrical power usage in this area.

2. A Map of the Study Area for the Proposed Site or Corridor

The proposed facility will begin at the existing Belfield Substation and terminate at the new Rhame Substation.

A map of the area being studied for location of a corridor for the proposed facility is enclosed.

3. The Anticipated Construction and Operation Schedule

Construction on the Belfield to Rhame line would begin as soon as necessary approvals are obtained. Under schedules giving consideration to state and federal regulation, that construction may begin as late as early 2009, with the line being placed into operation in early 2010. We intend to begin right-of-way acquisition in March 2008 to meet our on-line schedule of early 2010.

4. An Estimate of the Total Cost of Construction

Basin Electric has not to date developed a definitive cost estimate for the Belfield to Rhame project, but preliminary figures indicate the cost of the facility would be approximately \$33 million.

Ms. Illona Jeffcoat-Sacco
April 25, 2007
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5. Additional Information

The considerable oil and gas development activity in southwestern North Dakota is causing an accelerated growth in requirements for electric power. Slope Electric Cooperative, a member of Upper Missouri Generation and Transmission Cooperative (a Class A member of Basin Electric), is currently restricting load growth due to existing high-voltage transmission limitations. Therefore, additional high-voltage transmission facilities are needed in this area to allow service to existing loads and anticipated load growth. Enclosed is a letter from Western addressing the existing high-voltage transmission load-serving limitations. The Belfield to Rhame Project will also provide significant reliability improvements, as well as load-serving increases in the area.

Basin Electric hereby requests the Commission shorten the one-year waiting period between filing a Letter of Intent and the filing of an Application for a Certificate of Corridor Compatibility as provided at Section 69-06-03-01 N.D.A.C. The Application, when filed, will also request Commission approval for Basin Electric to submit a consolidated Application for a Certificate of Corridor Compatibility and a Route Permit resulting in a consolidated hearing. We will be prepared to file the Application for a Certificate of Corridor Compatibility and Route Permit by January 2008.

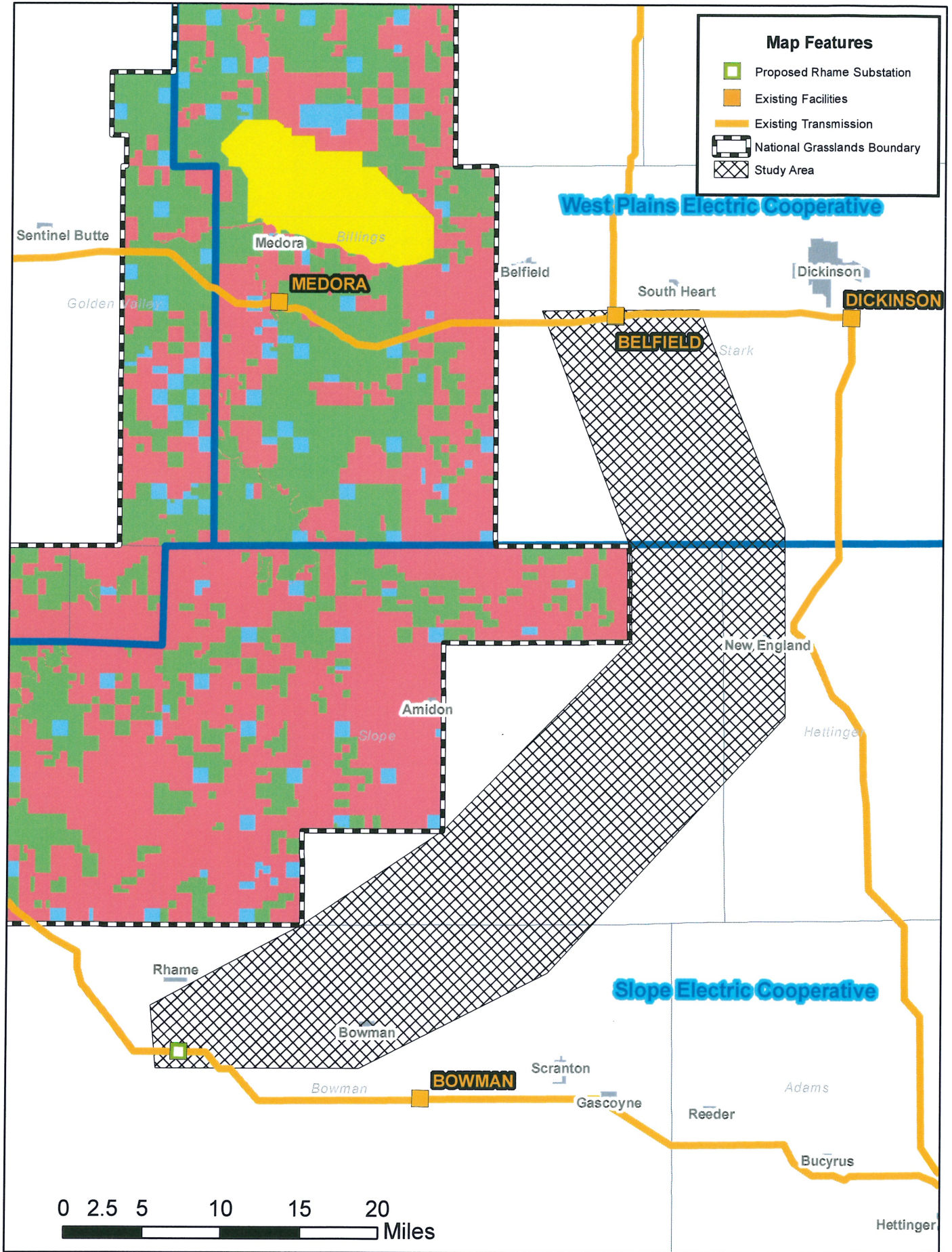
We would appreciate any assistance the Public Service Commission can provide to expedite the permitting process.

Sincerely,



Ronald R. Harper
CEO & General Manager

rrh/df/mw
Enclosures





Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

FEB 26 2007

B4402.BL

Mr. David Raatz
Basin Electric Power Cooperative
1717 East Interstate Avenue
Bismarck, ND 58503

Dear Mr. Raatz:

This letter serves to inform Basin Electric and UMG&T of the updated maximum allowable load limit at the Little Missouri Substation. Western will subsequently provide an updated load limit prior to installation of 2 – 20-Mvar capacitor banks at the Dawson County Substation and the installation of the recommended 2 – 20-Mvar capacitor banks at the Little Missouri Substation. The Dawson County capacitor additions, being installed by Western, are presently scheduled to be in service early June 2007. Western understands that UMG&T is expediting the installation of the Little Missouri capacitors, and is awaiting further details on the scheduled installation of those banks.

As previously discussed, under-voltage load shedding (UVLS) protection must be installed at Little Missouri Substation to prevent potential voltage collapse of the 230-kV transmission system in the area given the current load level. The UVLS will allow additional load, as outlined below, to be served from the existing system, until such time as the Integrated System (IS) can be adequately expanded to serve the large load increases that you have noted in the recent load forecasts. Western normally does not utilize UVLS, however, insufficient lead time existed for Western to accommodate the recent load forecasts with other system changes or additions. Western has been coordinating with UMG&T in regards to the UVLS installation, which will trip the 115-kV feeder breakers at Little Missouri. Western further understands this installation will be completed March 1st, at which time the oil field customers wish to increase load above their present demand of approximately 46 MW.

Based on the present configuration and transformer tap of 235,750 kV (1.02 p.u.), the UVLS relay should be set to trip load if the 115-kV voltage drops below 0.90 p.u. (103.5 kV) for a duration of 5 seconds. It is our understanding that the UVLS scheme is designed to allow automatic arming or disarming at a specified load threshold via its internal logic and via operational arming and disarming via remote communication. Initially, Western requires that the UVLS scheme shall be armed continuously, and that the minimum load threshold setting be disabled. Western is still in the process of evaluating Operating Guides to allow disarming of the UVLS protection during non-stressed system conditions, e.g. light to modest system loads and transfers.

Based on completed installation of the UVLS protection scheme and worst case system stressed conditions (peak load, high transfer), the maximum Little Missouri load shall not exceed the following:

- **System Intact Limit = 70 MVA (63.0 MW @ 0.90 p.f.)**
(Or, with Western's approval: 66.5 MW @ 0.95 p.f., or 68.5 MW @ 0.98 p.f.)
- **Post Contingent Limit = 50 MVA (45.0 MW @ 0.90 p.f.)**
(Or, with Western's approval: 47.5 MW @ 0.95 p.f., or 49.0 MW @ 0.98 p.f.)

The post contingent load limit applies following the permanent loss of any section of the Miles City–Hettinger 230-kV circuit. Western will submit an Operating Procedure to Basin Electric and UMG&T prior to the installation of the UVLS protection scheme, outlining the procedures for the restoration of the Little Missouri load following a load shed.

As noted above, some additional load (in MW) can be served depending upon the power factor that can be maintained. The load limits noted above at 0.90 p.f. shall be observed, unless prior approval is granted by Western based upon documentation from the customer that the improved power factors (> 0.90 p.f.) can be maintained.

It is imperative that any additional Basin Electric member load proposed to be served between Hettinger and Baker be identified and forecast due to the stressed nature of the IS in this area. Western's supporting system studies, which identified the above limits, included a 4.5-MW load increase to the underlying 57 kV, as provided by UMG&T.

Western will notify you when these limits may be increased during the upcoming months as a result of any combination of the following; capacitor additions at Dawson County and Little Missouri, additional review of any other potential remedial actions for the 230-kV contingencies, etc. Western will also be working on an expedited basis with Basin Electric's Transmission Services department to identify long-term transmission solution(s) to fully accommodate the latest load forecasts provided by Basin Merchant.

If you have any questions, please telephone Frank Jarvenpaa at (406) 247-7384, or Steve Sanders at (406) 247-7436.

Sincerely,



for

Edward P. Weber
Transmission System Planning Manager

cc:

Mr. Michael Risan, Basin Electric Power Cooperative
Mr. Matthew Stoltz, Basin Electric Power Cooperative
Mr. Tom Barnett, Upper Missouri G&T
Ms. Cristy Hoferer, HDR, Inc.

bcc:

P. Wermerson, B4103.WT, Watertown, SD
J. Croston, B4105.WT, Watertown, SD
L. Linke, B4100.WT, Watertown, SD
B4402.BL
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