

DAKOTA GASIFICATION COMPANY

A BASIN ELECTRIC SUBSIDIARY

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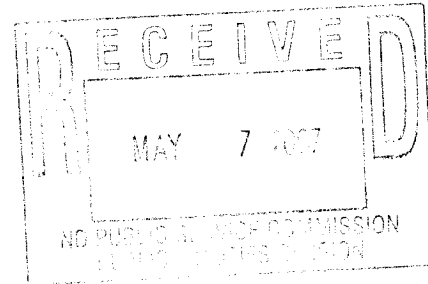
STREET ADDRESS:

1600 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0561



May 4, 2007

Ms. Illona Jeffcoat-Sacco
Executive Secretary
Public Service Commission
State Capital Building
600 East Boulevard Avenue
Bismarck, ND 58505-0480



Dear Ms. Jeffcoat-Sacco:

In accordance with the provisions of Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code (**NDAC**), Dakota Gasification Company (**Dakota**) hereby notifies the North Dakota Public Service Commission (**Commission**) of its intent to replace that portion of Dakota's carbon dioxide (**CO₂**) pipeline (see Commission Corrected Route Permit Number 84) where it crosses Lake Sakakawea.

Dakota requests that the requirement to file this Letter of Intent at least one year prior to the filing of an application for a certificate be waived and that the Commission approve the filing of this Letter of Intent.

The following information concerning the CO₂ pipeline project is provided as required by Chapter 69-06-03 of the NDAC.

1. Description of the size and type of facility and area to be served.

Dakota is proposing to reconstruct a portion of its CO₂ pipeline across Lake Sakakawea. The pipeline has a 14-inch outside diameter and a design pressure of 2,700 psig. The pipe will be buried a minimum of six feet below the entire lakebed a distance of approximately 11,400 feet. Once the replacement line is placed in service, the abandoned portion of the pipeline will be removed from the lakebed. Dakota currently utilizes this pipeline to transport CO₂ produced at the Great Plains Synfuels Plant to the oil producing areas in southwestern Saskatchewan where it is used for enhanced oil recovery.

2. A map of the study area for the proposed corridor and the proposed route.

A map of the study area is enclosed.

3. The anticipated construction and operation schedule.

Reconstruction of the CO₂ pipeline is anticipated to begin in July 2007 with the line being placed back into operation in October 2007.

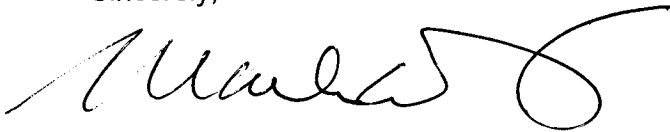
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4. An estimate of the total cost of construction.

Preliminary cost estimate for the CO₂ pipeline reconstruction project across Lake Sakakawea is \$10.5 million.

If you have any questions related to this notification or desire any additional information, please contact Mr. Rick Nelson, Senior Environmental Engineer, at 873-6613.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark D. Foss", with a large, stylized flourish at the end.

Mark D. Foss
General Counsel

mdf/mw
Enclosure

