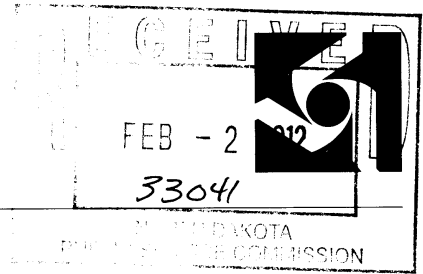


**BASIN COOPERATIVE SERVICES**

A BASIN ELECTRIC SUBSIDIARY

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February 1, 2012

Mr. James R. Deutsch  
 Reclamation Director  
 Public Service Commission  
 600 East Boulevard  
 Bismarck, ND 58505-0480

Re: Bond Release 7 – Permit BCGH-8204

Dear Mr. Deutsch:

Enclosed are 4 copies of pages and Attachments that changed as a result of the Public Service Commission's review dated December 23, 2011. This review also resulted in changes to the CD. A revised CD dated January 24, 2012 is included with this correspondence. PSC deficiencies for each bond release application and our response to those deficiencies are as follows:

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Attachment VI – Tract History, Bonding and Vegetation Data</b>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>PSC-1</b>                                                                       | Please revise Tables 1 & 2 to clarify that the redisturbed orphan spoil in Section 33 is included with Tract 5, BCS-Section 5 Spoil Redisturbed or Old Spoil Reseeded. In addition, Attachment IXC_102810.pdf shows that a number of ground cover transects in Sections 4 and 5 were taken on orphan spoil that was not redisturbed. These transects should not be shown if they were not used or needed. Please revise or clarify as necessary. (GAW)                                                                                                                                                                     |
| <b>Response</b>                                                                    | These tables were revised. Please insert the tables in Attachment VI. They were also changed on the enclosed CD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Attachment XI – Pond Information &amp; Design and Water Quality Information</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>PSC-2</b>                                                                       | Follow-up to deficiency No. 51: Information regarding the Stephens pond is still included on the CD in the List of Ponds in Bond Release 7 (PermPond-list-BR7_111910.doc). Please delete the reference to this pond on the CD, assuming that is still your intention. (BEB/RLK)                                                                                                                                                                                                                                                                                                                                            |
| <b>Response</b>                                                                    | The Permanent Pond List has been revised. The Stephens pond has been removed. Please add the revised List of Ponds to Attachment XI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>PSC-3</b>                                                                       | The water quality analyses for the permanent impoundments provided in the hard copy of the bond release application still differs from the information on the CD. The same information should be provided in both sets of materials. (RLK)                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Response</b>                                                                    | Hard copy data in Attachment XI was added to the CD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>PSC-4</b>                                                                       | Follow-up to deficiency No. 54: Water quality analyses are provided on the CD for Ponds 31-3H, 143-84-9-3H, WD2 Pond, Rec-SP68, Wetland 31-A and Wetland 31-B which do not appear on the List of Ponds in Bond Release 7 provided in Attachment XI. Your initial response to this item was that a list of ponds is provided as the first page in Attachment XI which provides the NDPDES number as well as the pond number, which was obvious; however, a handful of the pond numbers do not match the pond/wetlands that are identified in the original deficiency with the sample description identifier provided on the |

11 RC-11-30 Filed 02/02/2012 Pages: 2  
 Response to second deficiency letter  
 Basin Cooperative Services  
 Mike Murray  
 Equal Employment Opportunity Employer

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <p>MVTL analyses sheet. We acknowledge the updated (July 2010) water quality data of developed water resources in support of this application but those data are useless if we are unable to match the MVTL sample description (pond number) with the pond from where the water sample was obtained. We ask that you either pencil in a new descriptor on the MVTL sheets or change the Permanent Pond Listing (under the Pond No. column) to match the water quality analyses sheets (MVTL) for those half-dozen DWR's that were identified in the original deficiency. (BEB/RLK)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Response</b> | <p>In this comment you list 6 ponds that were sampled but not included on the List of Ponds. These ponds were sampled and submitted to MVTL for water quality analyses along with several other ponds that were included in Bond Release 7. Only one of these ponds is actually in Bond Release 7. This pond is identified as WD2 Pond on the MVTL report and it is located in orphan spoil in section 5. This pond is not a planned water source but water quality data were collected as it was important to know this for grazing purposes. The other 5 ponds/spring identified in the MVTL Analyses Report as 31-3H, 143-84-9-3H, Rec-SP68 and Wetland 31-A and Wetland 31-B were removed from this report to avoid confusion.</p> <p>To clarify the pond identifier numbers, we have included additional information on the List of Ponds. A column was added that listed MVTL pond numbers for comparison with GHM pond numbers. In most cases they were the same or contained enough information to determine where the sample came from. Also, we would like to emphasize that there are 2 sources of water quality information that satisfy this regulatory requirement. If the data is not in the MVTL report it is included in Table 2 also included in Attachment XI. Water quality data in Table 2 were collected and analyzed in 1997. This was included in Revision 29 to BCGH-8204. The water samples collected in 2010 and sent to MVTL were provided to include other ponds not on Table 2 like the old pits in section 32 and WD-2 Pond. Also, these water samples were collected again on ponds listed in Table 2 for the purpose of updating this information.</p> <p>Please replace the List of Ponds, Table 2 and a revised MVTL report that are located in Attachment XI. They also have been included on the attached CD.</p> |

If you have questions, please contact me.

Sincerely,



Mike Murray  
Property and Right of Way Supervisor

Attachments

cc: Permit BCGH-8204