

**BASIN ELECTRIC
POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0564
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July 17, 2012

RECEIVED

JUL 18 2012

PUBLIC SERVICE COMMISSION

Mr. Darrell Nitschke
Executive Director
North Dakota Public Service Commission
Dept 408
600 East Boulevard
Bismarck, ND 58505-0480

Re: Letter of Intent

Dear Mr. Nitschke:

Pursuant to the provisions of Chapter 49-22-07.1 of the North Dakota Century Code and implementing rules, Basin Electric Power Cooperative (**Basin Electric**) hereby notifies the North Dakota Public Service Commission (**Commission**) of its intent to construct an energy conversion facility northwest of Williston to be called the Pioneer Generation Station - Units Two and Three (**Project**).

In accordance with NDAC Chapter 69-06-03-01, the following information is provided to support our Notice.

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

The Project will include the addition of two 45 MW (nominal) simple-cycle combustion turbines and associated on-site infrastructure to the Pioneer Generation Station Unit One, which is located approximately 15 miles northwest of Williston, North Dakota in Williams County. The project does not require additional off-site infrastructure to support the addition of the 90 MW of generation capacity that this Project provides.

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

The attached map depicts the location of the Pioneer Generation Station. The Project will be located on the Pioneer Generation Station, adjacent to Unit One, which is currently under construction.

3. The Anticipated Construction and Operation Schedule

The Project is expected to start construction in July 2013 after all necessary permits have been acquired. The Project's construction/commissioning stage is anticipated to be approximately 12 months, with an in-service date anticipated in July 2014. The Project requires state and local permits prior to initiating construction.

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4. An Estimate of the Total Cost of Construction

The estimated cost for the Project is anticipated to be approximately \$102 million dollars.

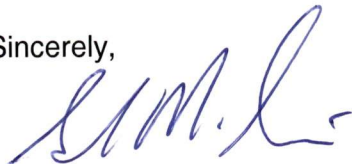
5. Additional Information

Basin Electric is responding to the accelerated growth of power requirements in northwest North Dakota. The Project will provide increased load serving capacity and overall system reliability in this region.

If required, Basin Electric will file a request for waiver as provided in Section 69-06-03-01 N.D.A.C. Basin Electric intends to file the Application for Certificate of Site Compatibility in September 2012.

Basin Electric appreciates the Commission's attention to this matter. Basin Electric looks forward to developing the necessary generation to support our member systems in northwestern North Dakota.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A.M. Serri', with a stylized flourish at the end.

Andrew M. Serri
CEO & General Manager

ams/cm/kz

Enclosure

cc: Casey Jacobson
Myron Steckler

Pioneer Generating Station

