

**BASIN ELECTRIC  
POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE  
BISMARCK, NORTH DAKOTA 58503-0564  
PHONE: 701-223-0441  
FAX: 701-557-5336



January 2, 2013

Mr. Darrell Nitschke  
Executive Director  
North Dakota Public Service Commission  
600 East Boulevard; Dept 408  
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 a natural gas pipeline from Basin Electric's Antelope Valley Station to Dakota Gasification's Great Plains Synfuels Plant called the Antelope Valley Station Natural Gas Pipeline Project (**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 a ten (10) inch diameter natural gas pipeline and will be approximately 3.5 miles in length and will be located in central Mercer County.

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

The attached map depicts the location of the Project.

**3. The Anticipated Construction and Operation Schedule**

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

**4. An Estimate of the Total Cost of Construction**

The estimated cost for the Project is anticipated to be approximately \$9.0 million dollars.

**5. Additional Information**

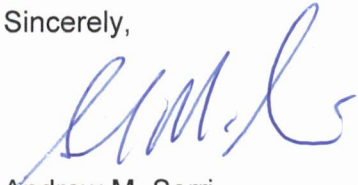
The purpose of the Project is to provide natural gas to Antelope Valley Station (AVS) in order to facilitate a particulate emission control project. The emission control project entails replacing the #2 fuel oil currently used as an ignition and preheating boiler start-up fuel with natural gas.

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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 to thirty days as provided at Section 69-06-03-01 NDAC. 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 anticipate filing the Application for Certificate of Corridor Compatibility and Route Permit in February 2013.

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

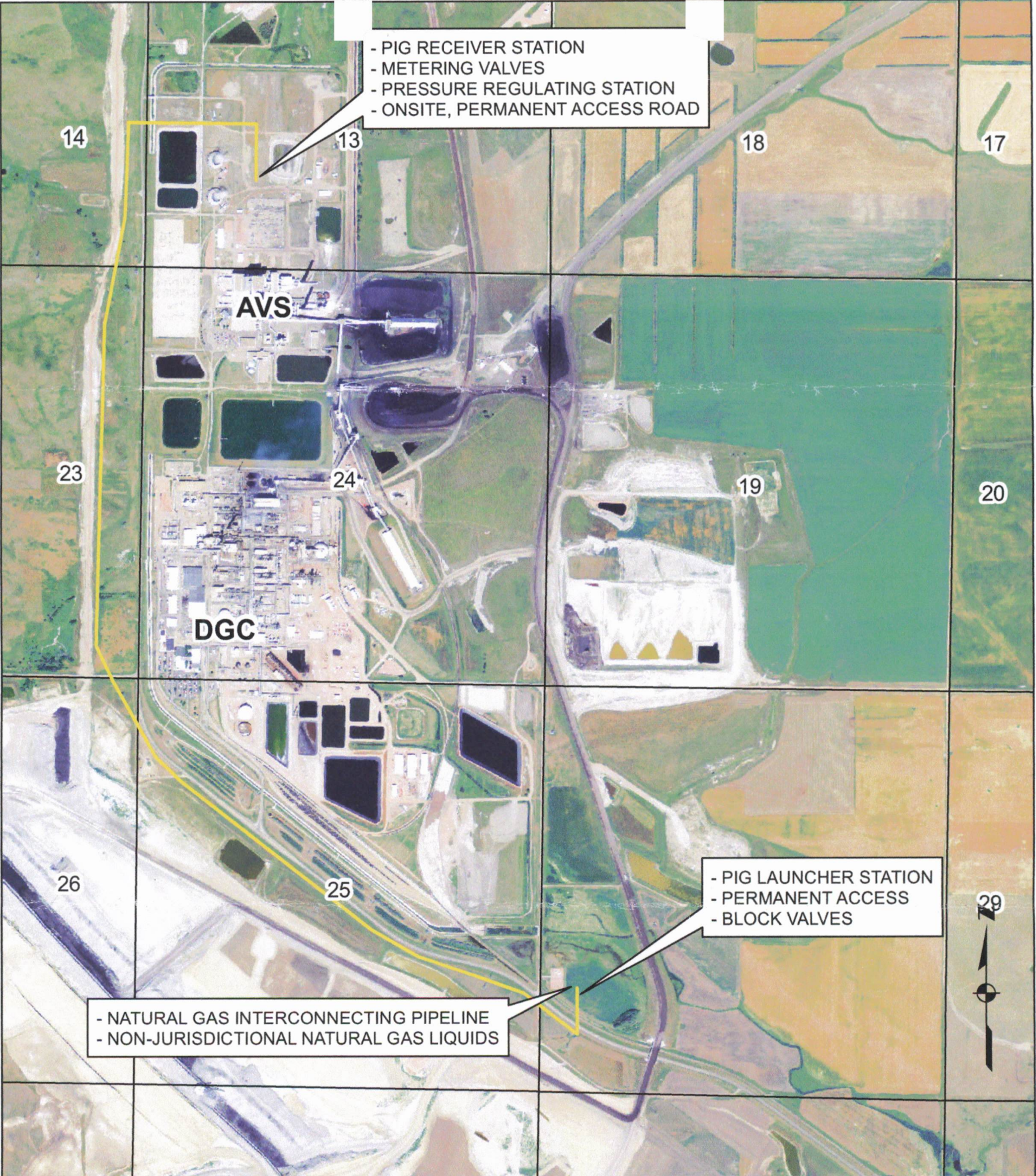
Sincerely,



Andrew M. Serri  
CEO & General Manager

ams/cjj/ds  
enclosure

cc: Casey J. Jacobson  
Kevin Solie



- PIG RECEIVER STATION
- METERING VALVES
- PRESSURE REGULATING STATION
- ONSITE, PERMANENT ACCESS ROAD

- PIG LAUNCHER STATION
- PERMANENT ACCESS
- BLOCK VALVES

- NATURAL GAS INTERCONNECTING PIPELINE
- NON-JURISDICTIONAL NATURAL GAS LIQUIDS

**Map Features**

— PREFERRED NATURAL GAS PIPELINE ROUTE

□ Sections

**ANTELOPE VALLEY  
NATURAL GAS PIPELINE  
FIGURE 1  
PROJECT OVERVIEW MAP**