BASIN ELECTRIC POWER COOPERATIVE

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0564
PHONE: 701-223-0441
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April 30, 2010

Patricia Van Gerpen
Executive Director
Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Avenue
Pierre, SD 57501-5070

Re: HP09-002 Deer Creek Station Natural Gas Pipeline
Notice Requirements for Transmission Line Construction

Dear Ms. Van Gerpen:

Enclosed please find an original and two copies of the Notice Requirements for Transmission Line Construction, as required by South Dakota Administrative Rule 20:10:37:18 (2009) for the natural gas pipeline for the Deer Creek Station to be filed in the above captioned matter.

If you have any questions, please contact me at cjacobson@bepc.com or (701) 557-5413.

Thank you for your attention to this matter.

Sincerely,

Casey Jacobson
Attorney

cjj/ds
enclosures

A Touchstone Energy® Cooperative

Equal Employment Opportunity Employer

Notice Requirements for Transmission Line Construction
Date: April 30, 2010

ARSD 20:10:37:18(a)
Pipeline operator's name and mailing Address:

Basin Electric Power Cooperative
1717 East Interstate Avenue
Bismarck, ND 58503-0564

ARSD 20:10:37:18b)
Estimated dates construction is scheduled to begin and end:

An estimated time schedule for accomplishments of major events in the commencement and duration of construction of the proposed pipeline is shown in the table below.

Natural Gas Pipeline Construction Schedule

Clear and Prepare ROW	July 6, 2010 through September 2, 2010
String Pipe	August 2, 2010 through September 15, 2010
Weld	August 3, 2010 through September 25, 2010
Directional Drill	August 17, 2010 through September 25, 2010
Ditch	August 10, 2010 through September 25, 2010
Lower In	August 10, 2010 through September 25, 2010
Backfill	August 10, 2010 through September 25, 2010
Cleanup	August 17, 2010 through September 30, 2010
Test	September 25, 2010 through September 30, 2010

ARSD 20:10:37:18(c)
Map showing location and proposed route of pipeline:

See Exhibit 1(c) Pipeline Route Maps.

ARSD 20:10:37:18(d)
Identified gas transmission Integrity Management Program high consequence area, if applicable:

See Exhibit 1(d) - no high consequence areas have been identified.

ARSD 20:10:37:18(e)
Proposed steel pipeline specifications, including size, weight, grade, wall thickness, and coating:

The American Petroleum Institute (API) provides a published specification for high-test line pipe. This specification covers various grades of seamless and welded steel line pipe. Process of manufacture, chemical and physical requirements, methods of test, dimensions and other

parameters are specified. Grade designates pipe manufactured according to API specifications. The pipe type, according to API is "5L PSL2" with a specified minimum yield strength designated in pounds per square inch. Electric resistance welding (ERW) has one longitudinal seam formed during the manufacturing process. The technical specifications for the pipe that will be used in the Project are set forth below:

Technical Specification	Measurement
Weight per foot	28.06 lbs for 0.250 inch wall thickness and 31.23 lbs for 0.279 inch wall thickness
Outside Diameter	10.75 inches
Nominal Wall Thickness	0.250 inches
	0.279 inches (bores)
Pipe Type	API 5L PSL2, ERW
Pipe Design Factor	0.72
Longitudinal or Seam Joint Factor	1.0
Temperature De-rating Factor	1.0
Specified Minimum Yield Strength	52,000 pounds per square inch
Tensile Strength	66,000 pounds per square inch
Coating Type	FBE (Fusion Bonded Epoxy)
Manufacturer of Pipeline	Domestic
%SMYS at MAOP for Main Line	60%
%SMYS at MAOP for Bores	54% under roads

ARSD 20:10:37:18(f)
Proposed plastic pipe specifications, including size and Standard Dimension Ratio:

Not applicable.

ARSD 20:10:37:18(g)
Proposed design and maximum allowable operating pressures of pipeline:

The maximum allowable operating pressure of the pipeline will be 1,440 psig.

ARSD 20:10:37:18(h)
Pressure test procedures and method of pressure test prior to operations:

Pipe testing will utilize either nitrogen or water and will have a minimum test pressure of 1,800 psig. The Pipeline will be tested upon completion in accordance with applicable provisions of 49 CFR part 192, latest or replacement issue.

ARSD 20:10:37:18(i)
Proposed type of cathodic protection:

A galvanic cathodic protection system will be used to protect the pipeline. Sacrificial anodes will be buried at calculated intervals alongside the pipeline.

ARSD 20:10:37:18(j)
Minimum burial depths of pipeline at time of construction:

Pipeline will be buried at a depth of 60 inches with a minimum cover of 48 inches from the top of the pipe.

ARSD 20:10:37:18(k)
Proposed location and type of pipeline safety equipment:

Pipeline markers will be used to identify the pipeline. The line markers provide notice that there is a pipeline in the immediate area. The line markers list the commodity being transported, the name of the operator, the operator's telephone number, and the South Dakota One Call telephone number. The markers will be located on each side of public road crossings, each side of water crossings, at fence crossings, and other locations that do not interfere with the use of the land crossed by the pipeline. The location of the pipeline markers are shown on the attached plan and profile drawings, which can be found in Exhibit (k).

ARSD 20:10:37:18(l)
Proposed type of highway and water crossing, such as whether it will be bored and cased, bored only, or trenched (see attached Exhibit 1(L):

Construction across paved roads and highways will be in accordance with the requirements of the road permits and approvals to be obtained by Basin Electric. In general, all major paved roads, including highways and all primary gravel roads will be crossed by boring beneath. Driveways will be bored if required by landowners. The majority of smaller unpaved roads will be crossed using the open-cut method where permitted by local authorities or private owners. The table below provides a summary of paved and gravel roads to be crossed during construction and the construction method to be used. Bore sections will not be cased. Pipe wall thickness will be increased to 0.25 inches for all bore sections.

Paved and Gravel Roads Crossed by Natural Gas Pipeline Construction

Road/Highway Name	Type	Jurisdiction

Crossing		
195th Street	Bore Only	Deuel County
196th Street	Bore Only	Deuel/Brookings County Line
197th Street	Bore Only	Brookings County
485th Avenue north of tributary to Oak Creek	Bore Only	Brookings County
485th Avenue south of tributary to Oak Creek	Bore Only	Brookings County
198th Street	Bore Only	Brookings County
199th Street	Bore Only	Brookings County
485th Avenue north of 200th Street	Bore Only	Brookings County
201st Street	Bore Only	Brookings County
485th Avenue south of 202nd Street	Bore Only	Brookings County
SD 30	Bore Only	State of South Dakota
204th Street	Bore Only	Brookings County
485th Street north of 205th Street	Bore Only	Brookings County
205th Street	Bore Only	Brookings County

The majority of jurisdictional wetlands and surface waters within the gas pipeline ROW will be directionally drilled to avoid sensitive resources and the species associated with them. Pipe wall thickness will be increased to 0.25 inches for all bore sections. Bore sections will not be cased. If directional drilling is not feasible in some locations, the pipeline will be trenched. All required USACE permits would be obtained prior to any construction in wetland communities that may be considered jurisdictional "waters of the U.S.". The tables found in Exhibit 1(L) provide a summary of the water and wetland crossings and the construction method to be used.

See Exhibit 1(L).

ARSD 20:10:37:18(m)
Written construction procedures:

Pipeline construction generally involves various sequential operations as detailed in this section. The proposed pipeline will comply with South Dakota statues and administrative law, DOT pipeline safety regulations, and other applicable regulations.

Route Planning and Right-of-Way Staking
ROW limits are staked prior to construction. All work will take place between those limits. Additional ROW access will be gained by the use of existing approaches or the construction of temporary approaches where required. Permanent approaches may be constructed per landowner requests and inspector approval. All approaches will be constructed in a location and manner as to minimize vegetation and land owner disturbances.

Clearing and Topsoil Separation
Preparation of the ROW is the initial step in the construction of the proposed pipeline. After the completion of the survey and staking of the proposed line, the construction ROW will be cleared of any surface obstructions. Following clearing, a minimum or 12 inches of topsoil will be removed over the trench line and deposited along the working side of the trench utilizing double

ditching. Following the topsoil removal subsequent subsoil down to trench depth shall be removed and will be deposited on the non-working side of the trench. During backfilling operations, the subsoil will be deposited into the trench first, followed by the topsoil. The backfilled trench will be wheel compacted and graded to existing contours. A slight crown shall be placed over the area of the trench to allow for any settling that may occur. When necessary, in areas of unstable working conditions, topsoil may also be separated over the working side and/or the subsoil storage areas to allow for safe working conditions. Conventional double ditching techniques will be used in designated wetland areas where water is not flowing and the soil is adequately dry. In wetland areas where water is not present but soil conditions do not allow for conventional excavation techniques, directional drilling will be utilized to minimize impacts on the wetland area. Adequate erosion control and silt fencing will be implemented to minimize possible erosion and sedimentation issues.

Fences encountered along the proposed route will be cut and braced on each side of the ROW to prevent damage to the remaining fence, unless the landowner requests otherwise. Temporary gates will be installed where needed to contain livestock or prohibit public access to the ROW during construction.

Trenching

Prior to any trenching activities, notification will be provided to the South Dakota One Call, as required, to ensure all utilities are properly identified. Trenching involves excavating a trench for the pipe and is typically accomplished using a crawler-mounted, wheel-type or rubber-tired wheeltype ditch digging machine or track type excavators. Areas that show signs of unstable soil conditions or require larger excavations, typically at tie-ins and line crossings, will be excavated using a backhoe. The trench will be a minimum of approximately 60 inches deep to provide a minimum 48-inch cover over the pipeline once backfilling has been completed.

Special attention will be paid to erosion and sedimentation control in areas where surface waters and wetlands may be trenched. If trenching is conducted, all work will comply with the conditions stipulated under the Nationwide 12 Permit issued by the USACE.

Directional Drilling

Directional drilling under water features and boring under road features consists of drilling a tunnel underground so as not to disturb surficial features. Surficial features that will be avoided via directional drilling include all state and improved county roads and surface waters, including some wetlands. Additional workspace (for access and bell holes) will be acquired for equipment and materials used in the drilling process and to facilitate tunneling construction.

The directional drill will be set up in-line with the pipeline route and directionally drill under the roadway, waterway or sensitive area from bell hole (entrance pit) to bell hole (exit pit). Bell holes will be excavated using backhoes and will require additional workspace outside of the standard 75 foot construction area. Additional easements will be acquired when necessary outside the standard 75 foot construction area.

The first step in the directional drilling process is the drilling of the pilot hole after the drill rig is in place. Upon completion of the pilot hole, the reaming process begins, which opens the diameter of the hole to facilitate pulling of the pipe. After the hole is reamed to the required diameter, the welded pipe strings are pulled through the drill hole by the drill rig. The pull back process continues until the entire section of drilled pipe has been pulled through the drilled hole.

Bell holes typically will be located outside the road ROW; the pipeline crossing of SD 30 will be outside of the road ROW. In some locations, however, bell holes may be located within the road ROW; all road crossings will comply with state and county permits as applicable.

Drilling equipment and bell holes will be placed away from the edge of any waterways and wetlands to comply with USACE regulatory requirements. Wetlands without flowing water at the time of construction may also be directionally drilled if soil conditions are unstable or surrounding areas do not allow for conventional trenching techniques.

The directional drilling process involves use of a drilling fluid primarily made up of bentonite clay and water. The purpose of this fluid includes lubrication and stabilization of the borehole and removal of drilled material. The mix of water and bentonite clay will be stored on-site in frac tanks. Water for use in directionally drilling will be purchased from the Brookings-Deuel Rural Water Supply, or other municipal supply.

Once the drilling has been completed, the bentonite slurry, intermixed with cuttings (e.g., sand, gravel, small rock fragments), will be buried in the entrance pit. Basin Electric will obtain permission from private landowners prior to burying this mixture of slurry. Soil excavated from the entrance and exit pits will be backfilled. Any excess soil at the pits will be spread at the surface in the immediate vicinity of the pit or disposed at a location approved by the private landowner or other applicable entities.

A release of drilling fluid can occur when pressure causes the fluid to migrate from the borehole to the ground surface, following subterranean fractures. The extent of the release can be limited by careful monitoring and utilizing appropriate equipment and response plans. Basin Electric will detail prevention and clean-up procedures in the SPCC. Basin Electric will also utilize BMPs, such as sediment barriers and silt fencing, to help prevent siltation from entering sensitive features.

Pipe Stringing

Pipe stringing activities will involve the transportation and placement of coated pipe along the ROW. Pipe will be loaded onto trucks, transported to the ROW and unloaded by excavators, sidebooms, cranes or other equipment. The pipe will be strung parallel to the trench in preparation for subsequent bending and welding operations.

Bending

After the sections of pipe are strung parallel to the trench and before the sections of pipe are welded together, individual joints are bent to allow a uniform fit of the pipeline with the varying contours of the trench and terrain. Sections of pipe that require multiple or complex bends may be pre-fabricated off-site.

Line-up and Welding

Installation of the pipe will commence after the pipe ends are sufficiently cleaned. Following cleaning, the pipe is lined up, held in place, and welded until pieces of pipe are securely joined. Welding is one of the most important activities associated with pipeline construction. Welding is a technique of joining individual sections of pipe in which actual melting of the pieces to be joined occurs in the vicinity of the bond. Each weld must exhibit the same structural integrity with respect to strength and ductility. Each weld will be inspected by qualified welding inspectors to determine the quality of the weld. In addition, a minimum of 10 percent of all welds will be radiographically inspected and 100 percent of all welds under stream beds and road crossings will be radiographically inspected.

Lowering-In
After the pipe is strung and bent to conform to the pipeline alignment and ground contours, the pipe will be lifted by side-boom crawlers or other equipment to move the pipe over the open trench. Inspection of the pipe coating will be completed prior to being lowered into the trench and any necessary repairs made to unsatisfactory or damaged areas.

Backfilling
After the pipe has been lowered in, the trench will be backfilled according to regulations with all impacted areas being reseeded with the designated seed mix. The contractor will be responsible for vegetation of the impacted areas to 80 percent of pre-project levels within 12 months of completion of the contract. Large rocks (over 8 inches in diameter) and construction debris that can interfere with soil cultivation and damage tillage equipment will be removed from the ROW. Smaller rocks or pieces of debris on the soil surface that can be picked up by and cause damage to harvesting equipment will also be removed. After construction, all foreign materials should be picked up and rock conditions can be no worse than the native condition of adjacent areas. Careful attention will be paid during backfilling to avoid the mixing of topsoil and subsoil.

Testing
The pipeline will be pressure tested once backfilling has been completed to ensure that the system is capable of withstanding the designed operating pressure. Pressure testing will be conducted using water purchased from the Brookings-Deuel County local water supply. A SDDNR permit for stormwater will be acquired. After the test, the water will be discharged on the energy conversion facility using a filter bag and/or a straw bale dewatering structure. The test water will be discharged into an unnamed tributary to Deer Creek located in the northeastern area of the energy conversion facility.

Cleanup and Restoration
Cleanup and restoration of the ROW will be the final phase of construction and typically begins immediately after backfilling or as soon as weather and soil conditions permit. Cleanup in the ROW will consist of removing and disposing of the construction debris and surplus materials. Construction debris will be taken to a licensed landfill. The purpose of restoration is to return the ROW as close as possible to pre-construction conditions.

ARSD 20:10:37:18(n)
Name of construction company if known at the time of filing the Notice:

Montana-Dakota Utilities, Co. a Division of MDU Resources Inc., has been hired by Basin Electric to design and engineer the pipeline. MDU has sub-contracted to InfraSource Underground Inc. of New Berlin, Wisconsin, to build the pipeline.

ARSD 20:10:37:18 (o)
Pipeline operator's contact name and phone number:

Basin Electric Power Cooperative
1717 East Interstate Avenue
Bismarck, ND 58503-0564
Phone: (701) 223-0441