

**BASIN ELECTRIC
POWER COOPERATIVE**

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September 2, 2003

Mr. Joel K. Bladow
Regional Manager
Rocky Mountain Region
Western Area Power Administration
P.O. Box 3700
Loveland, CO 80539-3003

Dear Mr. Bladow:

Basin Electric Power Cooperative wishes to formally submit the following suggestions on the proposed Rate Adjustments for 2004.

1. BEPC suggests using a constant energy imbalance bandwidth of 2% of the unit rating for units that are operating at any level instead of 2% of the actual generation as the energy imbalance bandwidth for large coal units.
2. BEPC also suggests opening the energy imbalance bandwidth to something higher than 2% as to not penalize shortfalls of generation of large coal units if the shortfall is caused by station service associated with a large coal unit being off line. For instance, when one of the west side LRS units is off line, 2% of actual generation of the remaining unit at full load translates to a bandwidth of only 11 MW. This is about the magnitude of station service for the off line unit so that the generating station may be out of band, and when startup occurs the generating station is out of band.

Thank you for your consideration of these issues.

Sincerely,

David D. Raatz
Manager, Marketing & Power Supply Planning

dmd/ddr/kz