

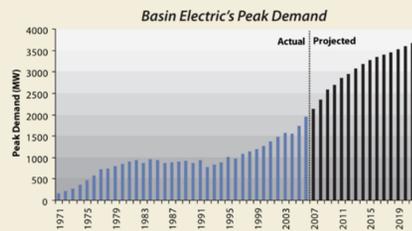
PROJECT OVERVIEW

DEER CREEK STATION

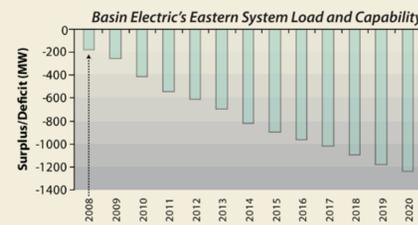
Basin Electric's Purpose and Need

The Deer Creek Station Project is designed to help meet the increased intermediate demand for electric power in the eastern portion of Basin Electric's nine-state service area.

Between 1999 and 2006, Basin Electric's total system peak demand increased by 752 megawatts (MW), from 1,195 to 1,947 MW. This represents a peak demand increase of approximately 107 MW per year.



In 2007, Basin Electric prepared a forecast showing load and capability surpluses and deficits through 2021. The forecast predicts that by 2014, there will be a deficit of 800 to 900 MW for the eastern portion of its service area.



The proposed project's addition of 300 MW of intermediate generation to the eastern portion of Basin Electric's service area by 2012 is one component of Basin Electric's plan to meet future capacity and energy requirements.

Project Schedule

Currently, Basin Electric is completing engineering and environmental studies that support completion of the Deer Creek Station Project. Construction is expected to begin in 2010, with completion scheduled for 2011.

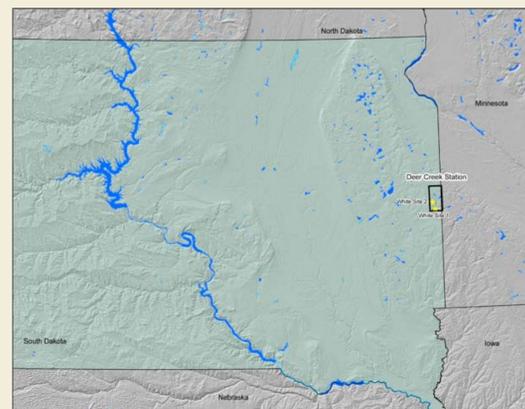
Siting Process

- Basin Electric conducted a site selection study to identify a power plant site using the guiding objective to identify the site of least overall land use and environmental impact at a reasonable economic cost.
- The process focused on narrowing the project area using land use and environmental data to identify areas of highest opportunity.
- Opportunity areas were identified as those closest to existing natural gas pipelines for fuel delivery, transmission interconnection and available water supply for power plant operation.

Project Description

Basin Electric proposes to construct and operate a 300 MW intermediate, combined-cycle generating facility, a gas pipeline, transmission line connections and water delivery systems in eastern South Dakota.

Basin Electric has proposed using two turbine-generator sets, one fired by natural gas and the other driven by steam. Exhaust from the natural gas-fired turbine is passed through a heat-recovery steam generator that uses the hot exhaust to heat water. The steam produced from the heated water then goes through a steam turbine.



The generation facility site would occupy approximately 100 acres. Two potential sites have been identified:

- White Site 1 — approximately 6.4 miles southeast of White, S.D.
- White Site 2 — approximately 4.7 miles northeast of White, S.D.

The two potential sites are near:

- Existing natural gas pipeline for fuel delivery
- Water sources for use at the generation facility
- Existing transmission system for the delivery of power to Basin Electric's cooperative members

The proposed generation facility would require the following associated infrastructure:

- Up to 1 mile of 345-kV transmission line
- Between 10 and 14 miles of natural gas pipeline
- Either:
 - A water well pumping system or systems and associated water delivery pipeline (approximately 1 to 4.5 miles)
 - Approximately 1 to 3.5 miles of water delivery system from existing rural water system
- Transmission substation (White Site 2 only)
- Wastewater processing
- Road access to generation

Interconnections

White Site 1

Electric power generated by the proposed Deer Creek Station would require construction of a 345-kV single-circuit line, approximately 0.75 mile in length so that the power generated could be transmitted to the existing Western Area Power Administration White Substation.

(Need Schematic)

White Site 2

Construction of an on-site substation would be needed. A double-circuit 345-kV line would be needed to transmit power from the on-site substation to an existing 345-kV transmission line located approximately 0.5 miles east of White Site 2.

(Need Schematic)