

NOTICE OF MERGER OF BASIN ELECTRIC POWER COOPERATIVE'S INTERCONNECTION QUEUE WITH TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.'S QUEUE AND TERMINATION OF BASIN ELECTRIC'S LARGE GENERATOR INTERCONNECTION PROCEDURES

On November 6, 2008, Basin Electric closed the interconnection queue under its Open Access Transmission Tariff Western Interconnected Transmission Facilities Original Tariff No. 1 (the "Tariff") to new interconnection requests in order to implement changes that will provide for more timely and effective processing of interconnection requests.

Starting January 12, requests for interconnections to the transmission facilities over which Basin Electric provides transmission service pursuant to the Tariff will be processed by Tri-State Generation and Transmission Association, Inc. ("Tri-State") pursuant to the terms and conditions of Tri-State's Open Access Transmission Tariff. The five generator interconnection requests that currently are in Basin Electric's queue will be merged with the interconnection queue of Tri-State. Basin Electric will withdraw the Large Generator Interconnection Procedures ("LGIP") from the Basin Electric Tariff effective as of midnight on January 12, 2009.

BASIN ELECTRIC'S AND TRI-STATE'S TRANSMISSION SYSTEMS

Basin Electric is a participant in the Missouri Basin Power Project ("MBPP"), which consists of three 550 MW coal-fired steam electric generating units and associated transmission facilities. The MBPP transmission facilities in the Western Interconnection consist of five transmission lines: a 345 kV transmission line from the Laramie River generating station ("Laramie") to the Story substation; a 345 kV transmission line from Laramie to the Ault substation; a 230 kV transmission line from Laramie to the Dave Johnston substation; a 230 kV transmission line from Laramie to the Stegall substation; and a 230 kV transmission line from the Stegall substation to the Sidney substation. Basin Electric, Tri-State and Wyoming Municipal Power Agency, as part owners of the MBPP, have undivided joint use of these five transmission lines for delivery of the MBPP generation.

The Basin Electric Tariff provides for service over its share of the rights to these five transmission lines. Service over Basin Electric's other transmission facilities is provided either pursuant to the Integrated System Open Access Transmission Tariff that the Western Area Power Administration filed in Docket No. NJ98-1-000 or the Common Use System Open Access Transmission Tariff (Black Hills FERC Electric Tariff Second Substitute First Revised Volume No. 4). Tri-State's tariff provides for service over its share of the rights to the five MBPP transmission lines, and also provides for service over the rest of Tri-State's transmission facilities.

REASONS FOR MERGER OF THE INTERCONNECTION QUEUES AND TERMINATION OF BASIN ELECTRIC'S LGIP

Basin Electric is transferring the processing of interconnection requests on its share of the rights to the MBPP facilities in the Western Interconnection in order to make the processing of generator interconnections more efficient. Since Tri-State provides transmission service and interconnection service over all of the transmission facilities that are included in Basin Electric's Tariff, Basin Electric and Tri-State must coordinate closely with each other with respect to each interconnection request on the MBPP facilities that either one of them receives. In the language of the LGIP, Tri-State is an "affected system" with respect to each interconnection request received by Basin Electric, and Basin Electric is an "affected system" with respect to each request that Tri-State receives to interconnect to the MBPP facilities. This merger will result in improved efficiency through elimination of duplication of work by Basin Electric and Tri-State, streamlining communication between customer and service provider, and providing a single point of contact for generator interconnection requests.

EFFECT ON NEW AND EXISTING INTERCONNECTION REQUESTS

Starting January 12, 2009, all new requests for interconnection to the transmission lines over which transmission service is provided pursuant to Basin Electric's Tariff will be made on Tri-State's OASIS and will be processed by Tri-State. Basin Electric will terminate its LGIP from its Tariff after all pending interconnection requests have been transferred to Tri-State.

Five interconnection requests are currently pending in Basin Electric's interconnection queue. The requests will be merged into Tri-State's interconnection queue based on the time and date on which they were submitted. Merger of the two interconnection queues will not adversely affect the requests that are pending in either of the queues because Basin Electric and Tri-State would have to take into consideration higher-queued requests on each others' queues even if they were to maintain separate queues.

The five interconnection requests pending in Basin Electric's queue will be treated in a way that minimizes the effects of the transition to Tri-State's queue. Basin Electric is currently performing System Impact Studies for two of the requests. Basin Electric will complete those studies, after which time the interconnection requests will be processed pursuant to the LGIP of Tri-State. Basin Electric is currently performing a Feasibility Study for one request. Basin Electric will complete that study, after which time the request will be processed pursuant to the LGIP of Tri-State. Two other requests have not yet entered the study mode. Those requests will be subject to the Tri-State LGIP immediately. Basin Electric and Tri-State will communicate directly with each of the five interconnection customers in order to address any concerns they may have with respect to the transition.

Basin Electric will transfer to Tri-State any deposits that interconnection customers have paid to it, net of the expenses that Basin Electric has incurred in processing the interconnection request. Basin Electric will provide each interconnection customer an accounting of its expenses and the net amount transferred to Tri-State.

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