



Enclosed are pages from the IS Transmission and Ancillary Services Rate Calculation which have been revised. Please substitute the enclosed pages for the ones you received earlier.

The IS Transmission Loss Factor effective May 1, 2007, is 4 percent and unchanged from the previous 2-year period.

If you have any questions concerning the IS Transmission and Ancillary Services Rate Calculation, please telephone Lloyd Linke at (605) 882-7500.

Sincerely,

A handwritten signature in black ink, appearing to read "Lloyd A. Linke". The signature is fluid and cursive, with a prominent vertical stroke at the end.

Lloyd A. Linke  
Operations Manager

Enclosure

**RATE FOR REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES FOR 2006  
(INTEGRATED SYSTEM)**

A.	WAPA Reactive Service Revenue Requirement	\$1,758,264	(1)
B.	BEPC & HCPD Reactive Service Revenue Requirement	\$1,746,650	(2)
C.	MRES Reactive Service Revenue Requirement	\$371,323	(3)
D.	Total Reactive Revenue Requirement	<u>\$3,876,237</u>	(A+B+C)
E.	2006 IS Transmission System Total Load (kW-Yr)	4,045,000	(4)
F.	Annual Reactive Charge (\$/kW-Yr)	\$0.96	(D/E)
G.	Monthly Reactive Charge (\$/kW-Mo)	\$0.08	(F/12)

(1) Reactive Service Revenue Requirement from "Reactive Supply and Voltage Control from Generation Sources For 2005, Western's Costs".

(2) Basin Electric cost support data.

(3) Missouri River Energy Services cost support data.

(4) IS Firm Long Term Peak Transmission plus IS Short Term Firm Point-to-Point.

## RATE FOR REGULATION AND FREQUENCY RESPONSE FOR 2006 (Integrated System)

A.	Western Regulation Revenue Requirement	\$1,456,591	(1)
B.	BEPC & HCPD Regulation Revenue Requirement	\$90,748	(2)
C.	Total Regulation Revenue Requirement	\$1,547,339	(A + B)
D.	Load in Control Area(s) (kW-Yr)	2,193,000	(3)
E.	Regulation Charge (\$/kW-Yr)	\$0.71	(C / D)
F.	Regulation Charge (\$/kW-Mo)	\$0.06	(E / 12 months)

- (1) Regulation and Frequency Response Service from "Regulation and Frequency Response for 2005, Western's Costs".
- (2) Basin Electric cost support data.
- (3) Average of monthly peaks for 2006 Watertown Control Area.

Generation Revenue Requirement  
 Utilizing RUS Form 12 Data  
 BASIN ELECTRIC POWER COOPERATIVE

For the 12 months ended 12/31/06

	East	West	Groton	Other	Production	LOS	AVS	SM	LRS	Other	Groton
GROSS REVENUE REQUIREMENT (page 3, line Z7)	\$ 260,908,607	\$ 73,057,098	\$ 7,236,088	\$10,182,948	\$ 351,484,741	\$ 98,317,984	\$ 161,363,418	\$ 1,227,204	\$ 73,057,098	\$ 10,182,948	\$ 7,236,088
Percent of revenue requirement to net plant	44.7734%	31.8468%		15.3862%							

Generation Revenue Requirement  
Utilizing RUS Form 12 Data  
BASIN ELECTRIC POWER COOPERATIVE

For the 12 months ended 12/31/06

Line No.	(1) Description	(2) RUS Form 12 Reference	(3) Company Total	(4) Allocator	(5) Production	(6) LOS	(7) AVS	(8) Stk	(9) LRS	(10) Other	Groton
<b>GROSS PLANT IN SERVICE</b>											
1	Production	12h.A.6.	1,828,957,146	DA	1,828,957,146	287,010,690	848,204,039	24,930,271	549,462,329	71,743,252	47,606,586
2	Transmission	12h.A.11	500,295,865	NA	-	-	-	-	-	-	-
3	Distribution	12h.A.16	-	NA	-	-	-	-	-	-	-
4	General	12h.A.17	117,882,227	WS	-	-	-	-	-	-	-
4a	Direct Assign - Transmission		36,193,279	NA	-	-	-	-	-	-	-
4b	Direct Assign - Production		23,095,180	DA	23,095,180	7,326,884	8,916,086	230,428	6,339,228	176,553	106,001
4c	Other		58,593,768	WS	52,137,017	15,364,765	21,204,648	183,815	15,142,567	134,501	106,722
5	Intangible	12h.A.1	69,187,682	NA	1,049,145	-	1,049,145	-	-	-	-
6	TOTAL GROSS PLANT (sum lines 1,2,4,5)		\$ 2,516,322,920	GP	1,905,238,883	389,702,339	879,373,917	25,344,514	570,944,124	72,054,307	47,819,288
						12.308%	34.947%	1.007%	22.690%	2.853%	1.500%
<b>ACCUMULATED DEPRECIATION</b>											
7	Production	12h.B.1-4	930,253,959	DA	930,253,959	184,236,877	409,310,590	20,315,699	326,016,022	9,665,952	708,929
8	Transmission	12h.B.5	230,382,281	NA	-	-	-	-	-	-	-
9	Distribution	12h.B.6	-	NA	-	-	-	-	-	-	-
10	General	12h.B.7	82,750,345	WS	-	-	-	-	-	-	-
10a	Direct Assign - Transmission		24,920,290	NA	-	-	-	-	-	-	-
10b	Direct Assign - Production		18,446,250	DA	18,446,250	5,683,306	7,187,247	189,639	5,348,096	29,095	8,868
10c	Other		39,383,805	WS	35,043,899	10,327,428	14,252,705	123,851	10,178,077	90,405	71,733
11	Intangible	12h.B.12	38,932,310	DA	62,949	-	62,949	-	-	-	-
12	TOTAL ACCUM. DEPR (sum lines 7,8,10,11)		\$ 1,382,318,895		\$983,807,058	180,247,611	430,813,481	20,629,779	341,542,195	9,785,452	789,529
<b>NET PLANT IN SERVICE</b>											
13	Production	(line 1 - line 7)	898,703,187	AUTO	898,703,187	122,773,813	438,693,449	4,614,662	223,446,307	62,077,300	46,897,637
14	Transmission	(line 2 - line 8)	269,913,594	AUTO	-	-	-	-	-	-	-
15	Distribution	(line 3 - line 9)	-	AUTO	-	-	-	-	-	-	-
16a	General	(line 4 - line 10)	35,131,882	AUTO	-	-	-	-	-	-	-
16b	Direct Assign	(line 4a - line 10a)	11,272,990	AUTO	-	-	-	-	-	-	-
16c	Production	(line 4b - line 10b)	4,648,929	AUTO	4,648,929	1,643,578	1,728,838	40,789	891,132	147,459	97,133
16d	Other	(line 4c - line 10c)	19,209,963	AUTO	17,093,118	5,037,337	6,951,942	60,264	4,964,490	44,096	34,989
17	Intangible	(line 5 - line 11)	30,255,372	AUTO	986,196	-	986,196	-	-	-	-
18	TOTAL NET PLANT (sum lines 13, 14, 16, 17)		\$ 1,234,004,025	NP	921,431,430	129,454,728	448,560,426	4,715,735	229,401,329	62,268,855	47,029,759
						10.491%	36.350%	0.382%	18.590%	5.045%	3.811%

For the 12 months ended 12/31/06

Generation Revenue Requirement  
Utilizing RUS Form 12 Data  
BASIN ELECTRIC POWER COOPERATIVE

No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Reference	Company Total	Allocator	Production	LOS	AVS	SM	LRS	Other	Graton	
1	O&M										
2	12a.A.5+A.15	184,005,565	DA	184,005,565	67,031,558	79,147,664	381,270	37,233,891	906,262	304,919	
3	12a.A.13	35,785,212	NA								
4	Accounting Records	244,766	NA								
5	Less Regulatory Fees	1,973,114	DA	1,973,114				1,973,114			
6	Production (Note A)	700,191	NA								
7	Transmission (Note B)	32,867,141	WS	29,245,340	12,181,498	16,811,475	145,732		58,481	47,154	
8	Headquarters	219,790,777		215,224,020	79,213,055	94,959,140	527,002	39,207,006	965,743	352,073	
9	TOTAL O&M (sum lines 1 and 2)										
10	DEBT SERVICE										
11	12a.A.22.b.-24.b	66,251,072	NP	50,963,110	7,169,964	24,809,263	260,821	12,687,906	3,444,005	2,601,152	
12	Interest Expense	87,143,923	NP	65,070,411	9,141,942	31,676,813	333,020	16,200,096	4,397,354	3,321,187	
13	Principal Payments	3,487,481	NA								
14	Amort of Debt Discount (428)	948,071	NA								
15	Transmission	59,779	WS	53,192	22,156	30,577	265		108	86	
16	Headquarters	2,479,631	DA	2,479,631	308,979	1,322,537	16,052	581,749	186,738	63,576	
17	Production	3,173,540	NA								
18	Other Deductions	162,056,016		118,566,344	16,633,040	57,839,190	610,757	29,469,751	8,028,205	5,986,000	
19	TOTAL DEBT SERVICE (Sum lines 8,9,10,14)										
20	TAXES OTHER THAN INCOME TAXES										
21	LABOR RELATED										
22	Payroll		WS								
23	Highway and vehicle		WS								
24	PLANT RELATED										
25	Property and Other Total	1,209,995	GP								
26	Property Headquarters	(57,920)	NA								
27	Gross Receipts Tax	1,267,915	NA								
28	Production (Note C)		DA								
29	TOTAL OTHER TAXES										
30	TOTAL OPERATING EXPENSES (Sum 7+15+22)	\$ 383,056,768		\$333,790,364	\$95,846,096	\$152,798,330	\$1,137,159	\$68,676,757	\$8,993,948	\$6,338,073	
31	Margin	\$ 23,562,831	NP		\$2,471,888	\$8,565,088	\$90,045	\$4,380,341	\$1,189,000	\$898,015	
32	REV. REQUIREMENT (sum lines 23 + 24)	\$ 406,619,619		\$351,384,741	\$98,317,984	\$161,363,418	\$1,227,204	\$73,057,098	\$10,182,948	\$7,236,088	

Generation Revenue Requirement  
Utilizing RUS Form 12 Data  
BASIX ELECTRIC POWER COOPERATIVE

Line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
			TOTAL	Allocator	Production	LOS	AVS	SM	LRS	Other	Groton
1	Production - LOS		\$9,327,517	WS	\$31,650,918	26.223%	36.189%	0.314%	25.843%	0.2295%	0.1820%
2	Production - AVS		\$12,872,746								
3	Production - SM		\$111,589								
4	Production - LRS		\$9,192,827	PRWS		29.470%	40.671%	0.353%	29.044%	0.259%	0.205%
5	Production - Other		\$146,440								
6	Transmission		\$3,919,712								
7	Other		\$0								
	Total Wages and Salaries (exclude adm)		\$35,570,530								

Note

- A A&G costs directed allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages
- B Includes OASIS costs for West Side and Common Use System plus A&G costs allocated to MBPP Transmission
- C Production taxes are included in the RUS 500 series of accounts.

**Basin Electric Power Cooperative  
IS Ancillary Services  
Regulation and Frequency Response - 2006**

**Summary**

A	Total LOS and AVS Net Plant Investment	\$ 561,667,262 (ancillary worksheet 5)
B	Facilities with AGC (LOS 1 & AVS)	\$ 468,680,409 (Ancillary worksheet 5 less LOS 2 )
C	B/A	83.4445%
D	AGC Facilities	\$ 62,056
E	AGC Facilities Percentage (D/B)	0.0132%
F	Generation Revenue Requirement	\$ 216,689,834 (Generation revenue require * line C percent)
G	Plant Allocated to AGC	\$ 28,691 (E x F)
H	<b>Regulation Revenue Requirement</b>	<b>\$ 90,748 (D + G)</b>

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Reactive Supply and Voltage Control - 2006

SUMMARY

Plant	Reactive Power Costs	Revenue Require Percentage	Ancillary Services Revenue Require	Fuel Cost	Total Costs
LOS #1	54,978	44.7734%	24,615	32,068	56,683
LOS #2	589,252	44.7734%	263,828	44,465	308,294
AVS #1	1,790,520	44.7734%	801,677	50,344	852,022
AVS #2	356,318	44.7734%	159,536	47,453	206,989
Spirit Mound (Units 1 & 2)	127,851	44.7734%	57,243	51	57,294
Groton	800,322	15.3862%	123,139	2,609	125,748
LRS - BEPC*	1,317,051	31.8468%	419,438	86,931	33,419
LRS - HCPD	111,627	90.3688%	100,876	5,326	106,202
Reactive Supply and Voltage Control Requirement					\$ 1,746,650

\*Costs prorated on east side capacity entitlement to total LRS plant capacity (0.065997).

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Reactive Allocation Factor - 2006

Ancillary  
 Worksheet 1

Allocation Factor for Reactive Power Support Portion of Generator Capacity

Unit	<u>A</u> Reactive Rating (MVAR)	<u>B*</u> Generator Rating (MVA)	<u>E</u> Alloc Factor $A^2/(B^2+A^2)$
LOS #1	148.00	240.00	0.275508
LOS #2	223.00	487.00	0.173333
Total LOS	371.00	727.00	0.206615
AVS #1	231.00	490.00	0.181833
AVS #2	231.00	491.00	0.181228
Total AVS	462.00	981.00	0.181530
Spirit Mound #1	33.00	52.00	0.287108
Spirit Mound #2	33.00	44.00	0.360000
Total SM	66.00	96.00	0.320955
Groton	35.00	127.30	0.070280
LRS Unit #1	300.00	593.00	0.203782
	<b>1,234.00</b>	<b>2,524.30</b>	

\*URGE ratings from 2003 case

**Basin Electric Power Cooperative  
IS Ancillary Services  
Reactive Supply And Voltage Control Allocation Factor - 2006**

Allocation Factor for Reactive Power Support Portion of Exciter Capacity

	A	B	C	D	E	F	
Unit	Rated Exciter Current A	Maxium Current @Full Load (A)	Minimum Current @ Full Load (A)	AMPS Use Reactive Power Support (Max-Min)	(D/B) Use	Rated Voltage	Rated MW (a*f)/10^6
LOS #1	2,849	2,849	990	1,859	0.652510	375	1.0684
LOS #2	5,425	5,425	1,885	3,540	0.652535	430	2.3328
AVS #1	5,625	5,625	1,945	3,680	0.654222	400	2.2500
AVS #2	5,625	5,625	1,945	3,680	0.654222	400	2.2500
Spirit Mound #1							
Spirit Mound #2 (Avg)					0.653372		2.0541
Groton	991	991	370	621	0.626640	290	0.2874
LRS Unit #1	4,692	4,692	3,000	1,692	0.360614	505	2.3695
<b>Total</b>							<b>12.6121</b>

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Generator Summary 2006

Ancillary  
 Worksheet 3

**Generator Summary  
 Summer Peak Load  
 2006**

Bus	Name	BSVLT	COD	MCNS	MW	MVAR	QMAX	QMIN
67103	ANTEL31	G24.0	2	1	480.0	88.1	200.0	-175.0
67107	ANTEL32	G24.0	2	1	480.0	88.1	200.0	-175.0
67110	LELAN41	G22.0	2	1	225.0	5.7	120.0	-90.0
67111	LELAN32	G20.0	2	1	475.0	-11.9	225.0	-56.0
67116	SPIRIT71	G13.8	-2	0	45.0	-15.0	30.0	-15.0
67117	SPIRIT72	G13.8	-2	0	45.0	-15.0	30.0	-15.0
67274	GROTON1	G13.8	2	0	0.0	0.0	30.0	-15.0
67118	LARAM31	G24	2	1	593.5	98	310	-250.0
TOTAL					2343.5	310.4	1145.0	791.0

**Generator Summary  
 Winter Peak Load  
 2006**

Bus	Name	BSVLT	COD	MCNS	MW	MVAR	QMAX	QMIN
67103	ANTEL31	G24.0	2	1	480.0	52.6	200.0	-175.0
67107	ANTEL32	G24.0	2	1	480.0	52.6	200.0	-175.0
67110	LELAN41	G22.0	2	1	151.0	-41.4	120.0	-90.0
67111	LELAN32	G20.0	-2	1	166.0	-56.0	225.0	-56.0
67116	SPIRIT71	G13.8	-2	0	0.0	0.0	0.0	0.0
67117	SPIRIT72	G13.8	-2	0	0.0	0.0	0.0	0.0
67274	GROTON1	G13.8	2	0	0.0	0.0	30.0	-15.0
67118	LARAM31	G24	2	1	593.5	112.2	310	-250
TOTAL					1870.5	314.8	1085.0	761.0

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Reactive Power Costs - 2006

Ancillary  
 Worksheet 4

Real Power Allocation Ratio - Other Plant

<u>Exciter MW Requirements (worksheet 2)</u>		<u>Generator MVAR @ Peak (worksheet 3)</u>	
Generator MW Capacity (worksheet 1)	X	Generator MVAR Capability (worksheet 1)	=
 <u>12.6121 MW</u>		 <u>310.4 MVAR</u>	
2,524.30 MW	X	1,234 MVAR	=

0.1257%

Reactive Power Costs  
 Real Power Allocation Ratio - Fuel

<u>Exciter MW Requirements (worksheet 2)</u>		<u>Generator MVAR @ Avg (worksheet 3)</u>	
MWH generated	X	Generator MVAR Capability (worksheet 1)	=
 <u>12.6121 MW</u>		 <u>312.6 MVAR</u>	
17,902,139 MWH	X	1,234 MVAR	=

0.1563%

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Reactive Power/Voltage Control

Ancillary  
 Worksheet 5

Generating Plant Costs  
 As of December 31, 2006  
 (Net Plant)

Line #	Description	LOS # 1	LOS # 2	AVS # 1	AVS # 2	SM	LRS	HCPD	Groton	Other
1	Generating Plant (ACCT 310-348)	29,786,959	92,986,854	328,808,733	110,084,716	4,614,682	223,446,307	18,483,733	46,897,637	62,077,300
2	<b>Total Plant</b>	\$ 29,786,959	\$ 92,986,854	\$ 328,808,733	\$ 110,084,716	\$ 4,614,682	\$ 223,446,307	\$ 18,483,733	\$ 46,897,637	\$ 62,077,300
3	<b>Generators</b>									
3	Total Plant	22,162	1,981,900	4,399,776	(leased)	269,348	2,579,141	268,888	2,576,312	
4	Allocated to Reactive Power (Wkst 1)	<u>27.5508%</u>	<u>17.3333%</u>	<u>18.1833%</u>	<u>18.1228%</u>	<u>32.0955%</u>	<u>20.3782%</u>	<u>20.3782%</u>	<u>7.0280%</u>	
5	Reactive Power Plant (L3*L4)	\$ 6,106	\$ 343,529	\$ 800,026	\$ -	\$ 86,449	\$ 525,582	\$ 54,794	\$ 181,063	
6	<b>Exciters</b>									
6	Total Plant	16,803	69,491	476,968	(leased)	50,835	512,397	50,327	454,643	
7	Allocated to Reactive Power (Wkst 2)	<u>65.2510%</u>	<u>65.2535%</u>	<u>65.4222%</u>	<u>65.4222%</u>	<u>65.3372%</u>	<u>36.0614%</u>	<u>36.0614%</u>	<u>62.6640%</u>	
8	Reactive Power Plant (L6*L7)	\$ 10,964	\$ 45,345	\$ 312,043	\$ -	\$ 33,214	\$ 184,777	\$ 18,149	\$ 284,898	
9	<b>Voltage Regulators</b>									
9	Total Plant	449	79,101	23,848	(leased)	2,542	77,374	8,067	100,000	
10	Allocated to Reactive Power (100%)	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	<u>100.0000%</u>	
11	Reactive Power Plant (L9*L10)	\$ 449	\$ 79,101	\$ 23,848	\$ -	\$ 2,542	\$ 77,374	\$ 8,067	\$ 100,000	
12	<b>Step-Up Transformers</b>									
12	Total Plant	722	309,908	1,628,218	1,478,910	-	1,776,946	53,341	756,458	
13	Allocated to Reactive Power (Wkst 6)	<u>6.2500%</u>	<u>1.6162%</u>	<u>14.9306%</u>	<u>14.7569%</u>	<u>0.0000%</u>	<u>14.0580%</u>	<u>14.0580%</u>	<u>23.3133%</u>	
14	Reactive Power Plant (L12*L13)	\$ 45	\$ 5,009	\$ 243,102	\$ 218,242	\$ -	\$ 249,803	\$ 7,499	\$ 176,355	
15	<b>Other Plant</b>									
15	Total Plant (L2-L5-L8-L11-L14)	29,769,395	92,513,869	327,429,714	109,866,474	4,492,478	222,408,772	18,395,225	46,155,322	
16	Allocated to Reactive Power (Wkst 4)	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	<u>0.1257%</u>	
17	Reactive Power Plant (L15*L16)	\$ 37,413	\$ 116,268	\$ 411,501	\$ 138,076	\$ 5,646	\$ 279,515	\$ 23,118	\$ 58,006	
18	<b>Total Reactive Power Plant</b> (L5+L8+L11+L14+L17)	\$ 54,978	\$ 589,252	\$ 1,790,520	\$ 356,318	\$ 127,851	\$ 1,317,051	\$ 111,627	\$ 800,322	
19	<b>Fuel Expense</b>									
19	Total	20,512,209	28,442,045	32,202,609	30,353,376	32,394	55,605,347	3,407,008	1,668,637	
20	Allocated to Reactive Power (wkst 4)	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	<u>0.1563%</u>	
21	Reactive Power Expense (L19*L20)	\$ 32,068	\$ 44,465	\$ 50,344	\$ 47,453	\$ 51	\$ 86,931	\$ 5,326	\$ 2,609	

Basin Electric Power Cooperative  
 IS Ancillary Services  
 Transformer Allocation  
 Reactive Power Costs

Ancillary  
 Worksheet 6

A	B	C	D
Plant	Transformer MVA *	Generator	Allocation Ratio (B-C/B)
AVS #1	576	490	0.149306
AVS #2	576	491	0.147569
LO #1	256	240	0.062500
LO #2	495	487	0.016162
SM #1	72	52	0.277778
SM #2	72	44	0.388889
Groton	166	127.3	0.233133
LRS #3	690	593	0.140580

\* Emergency Rating