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From the offices of Gene N. Lebrun
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January 13, 2005

BY HAND DELIVERY

Ms. Deborah Hadcock
Ms. Martha Rodriquez
Mr. Ethan Schmidt
Mr. Gary Brown
Mr. Mike Lemay
Mr. Scott Nash
Mr. Mel Prairie Chicken
Mr. Peter Anderson
Ms. Ida Marie Fastwolf
Rapid City Planning Commission Members
Rapid City Planning Commission
300 Sixth Street
Rapid City, SD 57701

Re: RE: Basin Electric/Black Hills Power 11-6-19 Review
Our File No. 940290-00008

Dear Members of the Rapid City Planning Commission:

This letter is submitted on behalf of Basin Electric Power Cooperative and Black Hills Power, a co-owner of the AC/DC tie and certain associated transmission lines southeast of Rapid City.

Basin Electric filed with the Rapid City Planning Commission an application for a Section 11-6-19 review of the Pennington County Commission's grant of a Conditional Use Permit to install a circuit breaker on an existing utility structure and to enclose the breaker with a safety fence in a Limited Agriculture District.

Although this matter has been before the Rapid City Planning Commission for some time now, in view of some changes on the Commission and other matters that have been brought before the

Commission, it may be of some help to briefly set forth some of the history and underlying facts regarding this particular application.

BACKGROUND INFORMATION

The Rapid City Tie Project, including the location of the converter site and transmission lines, was subject to an application and approval of the South Dakota Public Utilities Commission, which was obtained before any construction was commenced. The Pennington County Commissioners and the Rapid City Planning Commission have previously reviewed this Project. An initial Section 11-6-19 review was approved by the City Planning Commission. The only issue currently before the Rapid City Planning Commission is the application for Section 11-6-19 review approval for the installation of the circuit breaker and fence at the location of structure No. 44 (a steel pole to support a 69 kv line.) The circuit breaker is needed to protect the integrity of both the 69 kv line itself and the consumers served by the 69 kv system.

The Section 11-6-19 application was first scheduled for hearing before the Planning Commission on April 22, 2004. In order to facilitate ongoing discussions with the Commission staff regarding the review, Basin Electric requested that the matter be continued. Certain matters regarding the circuit breaker and landowner complaints about noise emitting from the Tie resulted in the Section 11-6-19 review being deferred on numerous occasions. Those matters have now been addressed.

The sole issue remaining before the Planning Commission is the Section 11-6-19 request for approval of the Conditional Use Permit granted by Pennington County for the circuit breaker that is needed to protect the reliability of electrical power to the consumers of West River Electric Association.

CURRENT STATUS OF APPLICATION

Prior to the January 6, 2005 Planning Commission meeting, Basin Electric and Black Hills Power had submitted to the Commission noise tests data showing that the Project was in full compliance with the Public Utilities Commission specifications, and a letter from the staff of the PUC confirming that fact. The Planning Commission staff report for the January 6th hearing recommended approval of the breaker installation subject to stipulations that are acceptable to Basin Electric and Black Hills Power.

The assistant City attorney advised the Commission at the January 6th hearing that the only matter before the Commission for consideration was the installation of the breaker, which is located approximately one mile east of the Rapid City Tie. He further stated at that hearing (on

a number of occasions) that, given the full compliance by the Project with the PUC noise level requirements, issues relating to noise are not within the Planning Commission's jurisdiction.

Despite the recommendation of the Planning Commission staff, the advise from the assistant City attorney, and the lack of any legal grounds not to approve the installation of the circuit breaker, the Commission, over the objection of Basin Electric and Black Hills Power, again continued the matter in order that a field trip could be arranged for the members of the Commission.

The staff of the Planning Commission has now advised us that the Commission has scheduled a special meeting on Friday, January 14, 2005 in order to take such a field trip. We have also been advised that Mr. and Mrs. Duane Miller have extended an invitation to the members of the Planning Commission to come to their property during the scheduled field trip, but have specifically stated that representatives of Basin Electric and Black Hills Power will not be permitted on their property. Since the field trip is to be part of a special meeting of the Commission, the meeting is subject to South Dakota's open meeting laws, Chapter 1-25, and except for reasons not applicable here, must be open to the public. Therefore not only would there be no legitimate reason to exclude certain members of the public for any part of a Planning Commission meeting, it would be illegal.

While Basin Electric and Black Hills Power fully respect the Commission's desire to visit the facilities, we continue to emphasize that continued delay in taking final action on this matter unnecessarily exposes thousands of rural electric consumers to an increased risk of a power outage. Fortunately, there has not yet been a snowstorm or ice storm this winter that could cause such an outage.

This Commission has been advised by its own legal counsel that it has limited jurisdiction on this matter, and the issue of noise abatement beyond that required by the South Dakota Public Utilities Commission is outside of its jurisdiction. The converter substation is outside of the City of Rapid City. Therefore the City's noise standards do not apply. Pennington County does not have any applicable noise standards.

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We strongly urge the Rapid City Planning Commission take final action at its meeting scheduled for January 27, 2005 to approve the installation of the circuit breaker, subject to the stipulations recommended in the Planning Commission Staff Report dated January 6, 2005.

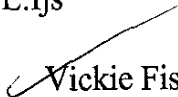
Sincerely yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.

A handwritten signature in black ink, appearing to read "Gene N. Lebrun", written in a cursive style.

Gene N. Lebrun

GNL:fjs

cc:  Vickie Fisher
Russ Mather
Steve Helmers