

2012-2021

BEPC Approved

Financial Forecasts

Powder River Energy Cooperative

April 26, 2012

Common ASSUMPTIONS

2012-2021 Financial Forecast

Gas Price Assumption

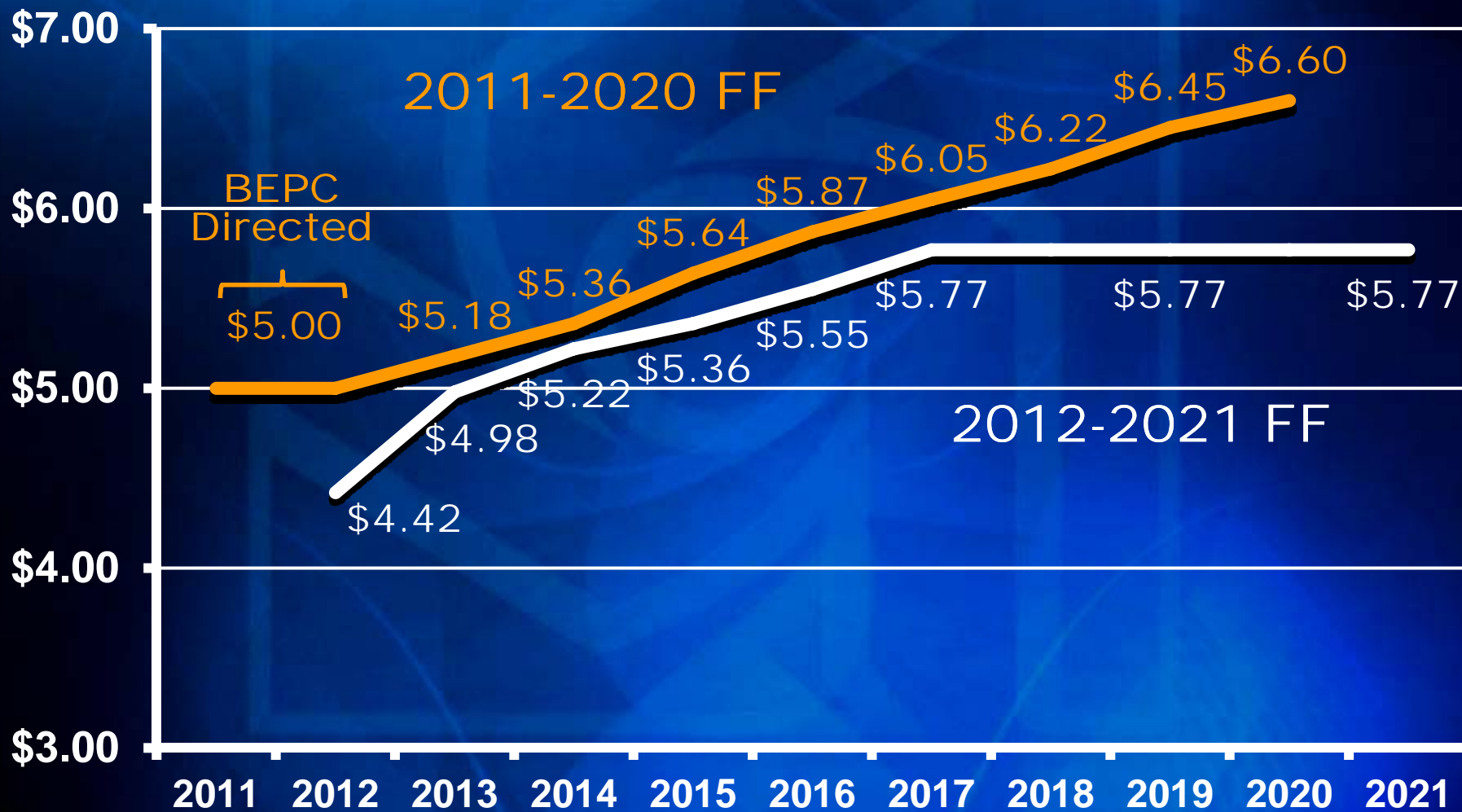
Ventura Hub



2012-2021 Financial Forecast

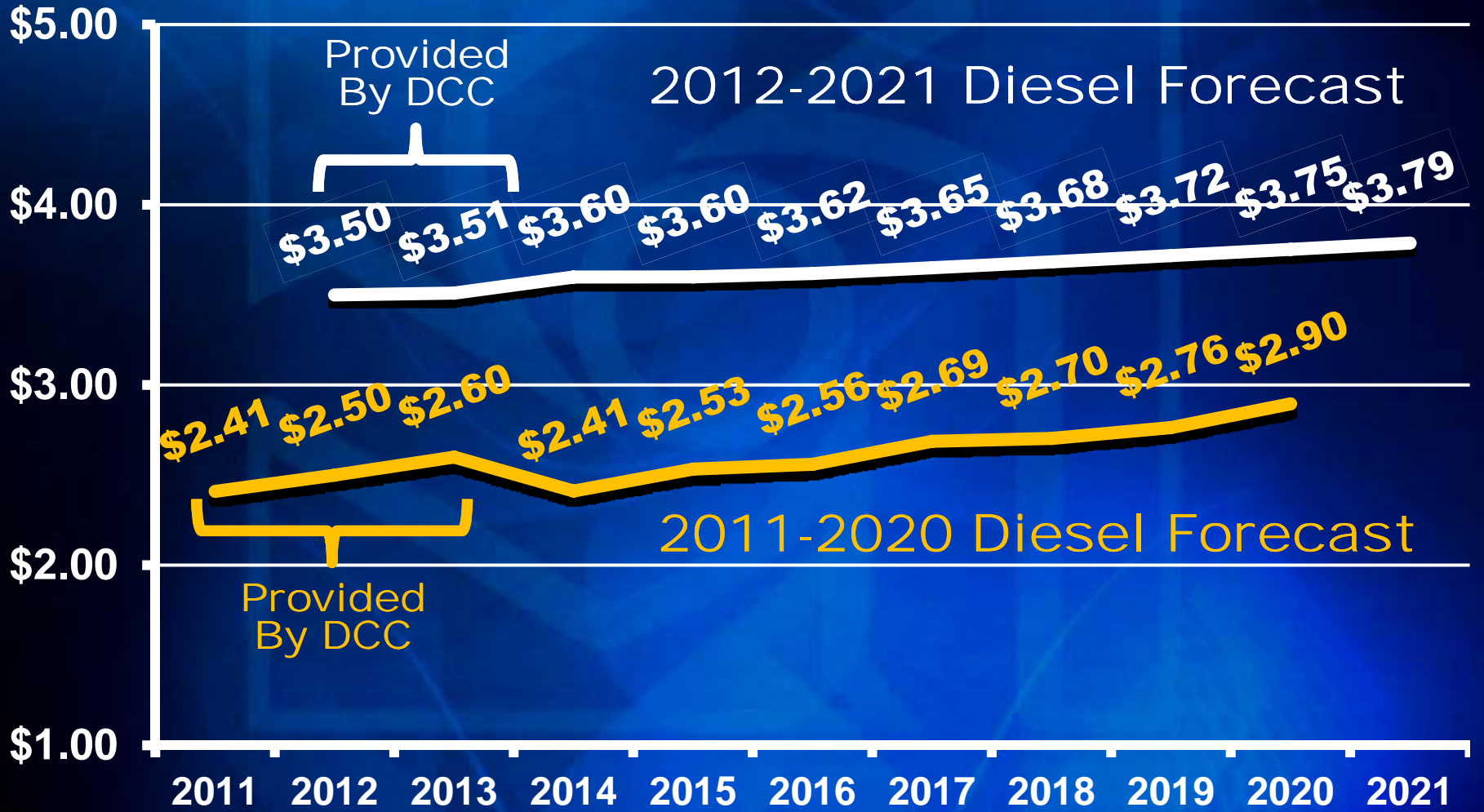
Gas Price Assumption

Ventura Hub



2012-2021 Financial Forecast

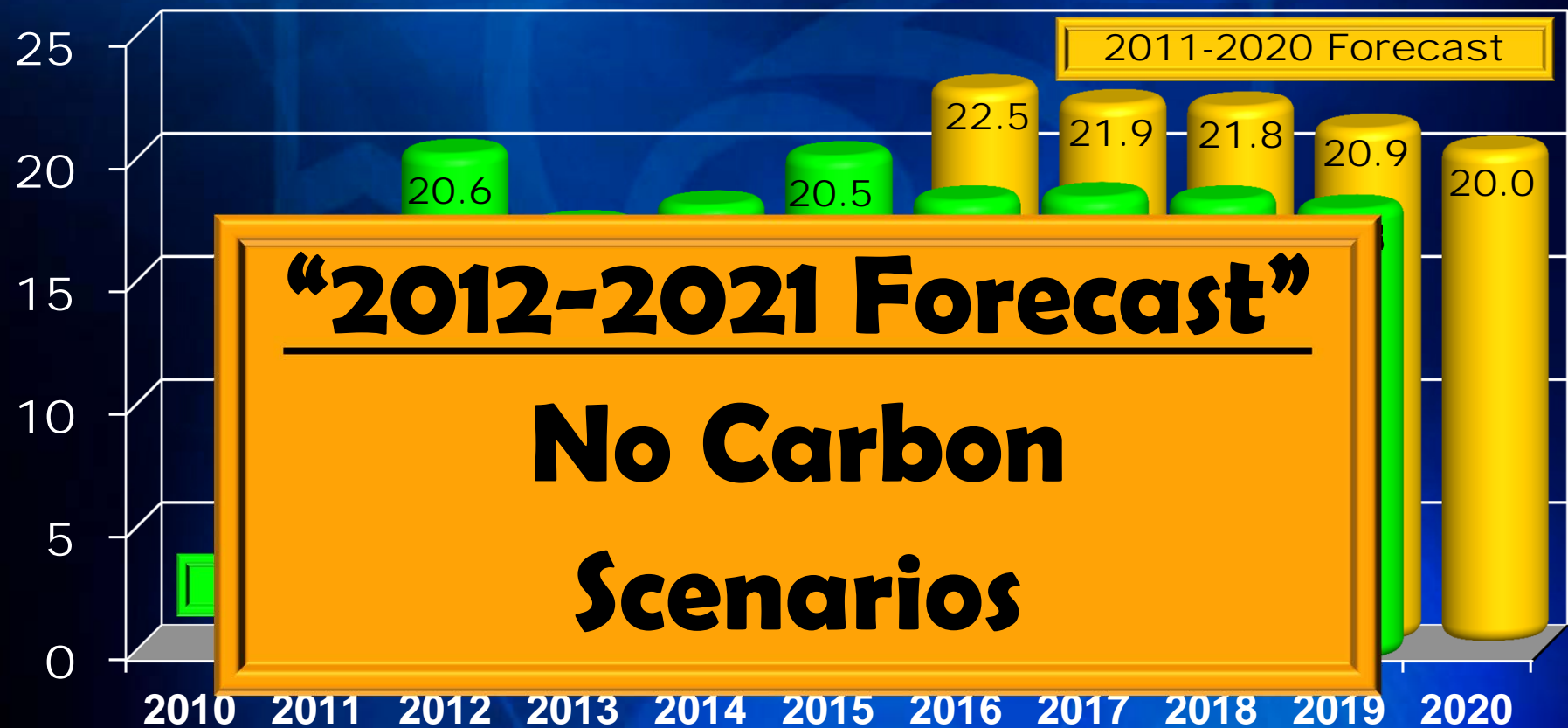
Diesel Price Assumption



CO₂ Carbon Impact

Average Member Mill Rate
@ \$20/Metric Ton

Mills



Subsidiary Dividends

“2012-2021 Forecast”

**No subsidiary
dividends**

2012-2021

Financial Forecast

Basin Electric Power
Cooperative

Agenda:

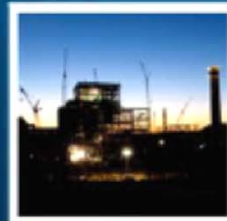
- Resource Plan
 - ❖ Member Loads
 - ❖ Generation Resources
- Base Forecast
 - ❖ Cost of Service
 - ❖ Sales & Revenues
 - ❖ Average Member Rate
 - ❖ Financial Impacts

Resource Operations

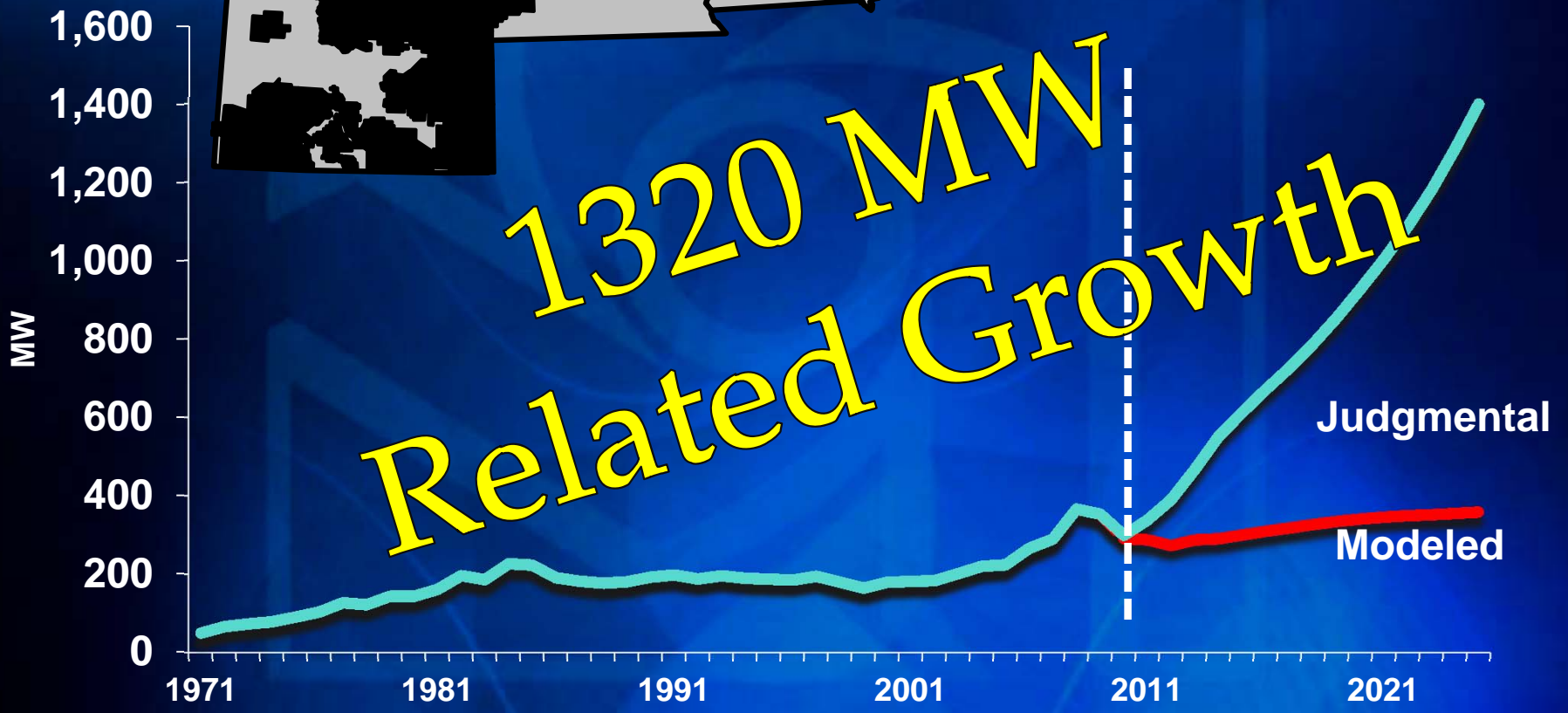
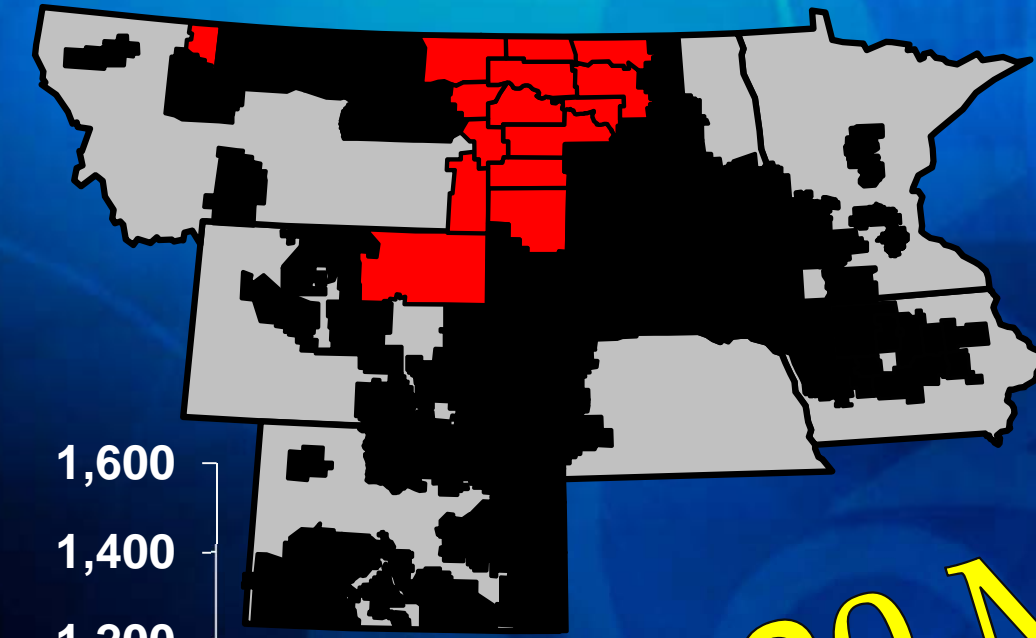
Load & Resource Operations



2011 Load Forecast



Oil Related Commercial



Resource Assumptions

Projects	Commercial Operation Dates
Deer Creek Station	July 1, 2012
LOS # 2 Emission Control	January 1, 2013
LOS # 1 Emission Control	July 1, 2013
ND Transmission Expansion	2013, 2016, 2018

AVS 2 & NEAL IV 131 MW committed to MISO throughout forecast

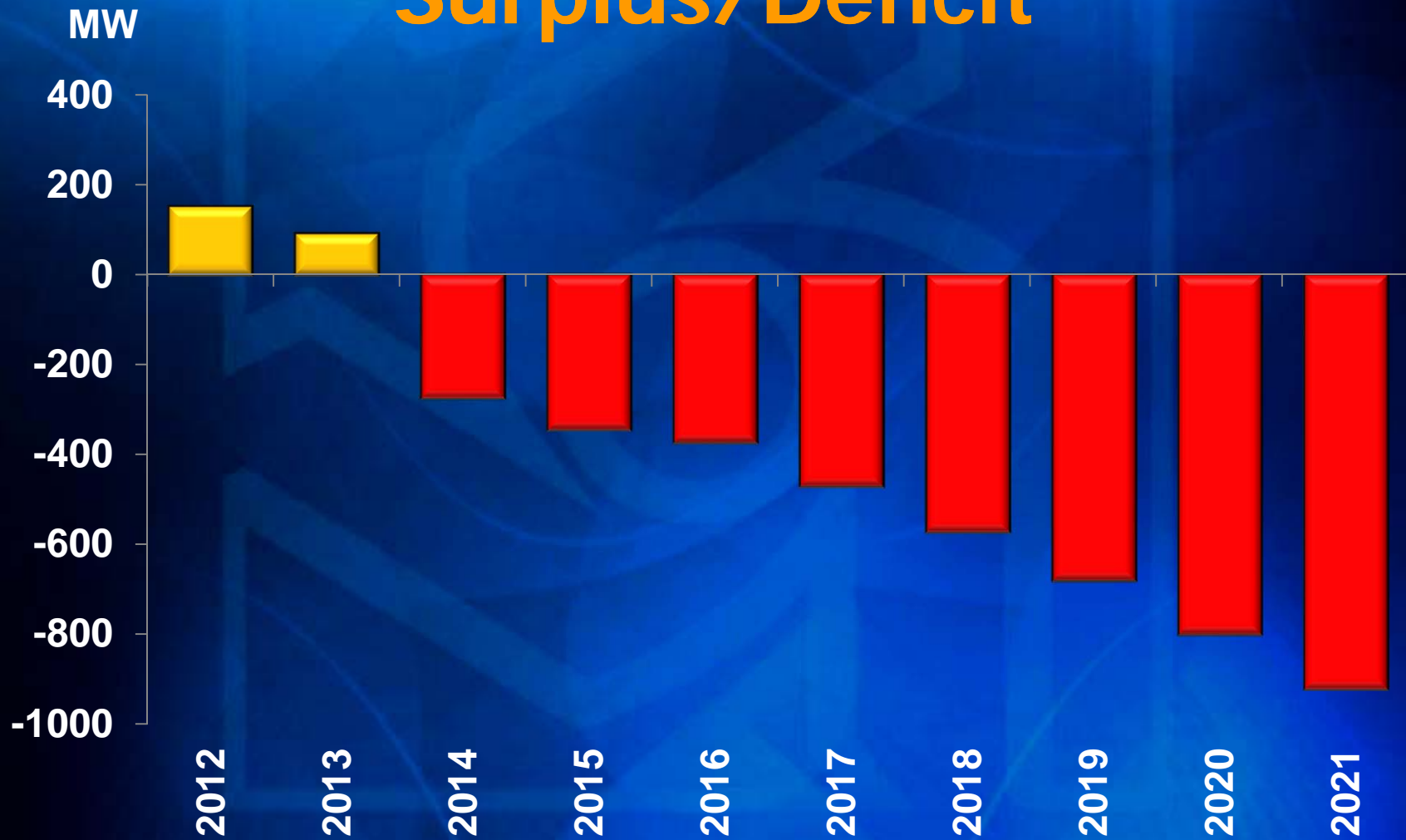
Unconstrained access to outside markets

*** Seams Agreement Maintained * Minimal TLR Curtailments**

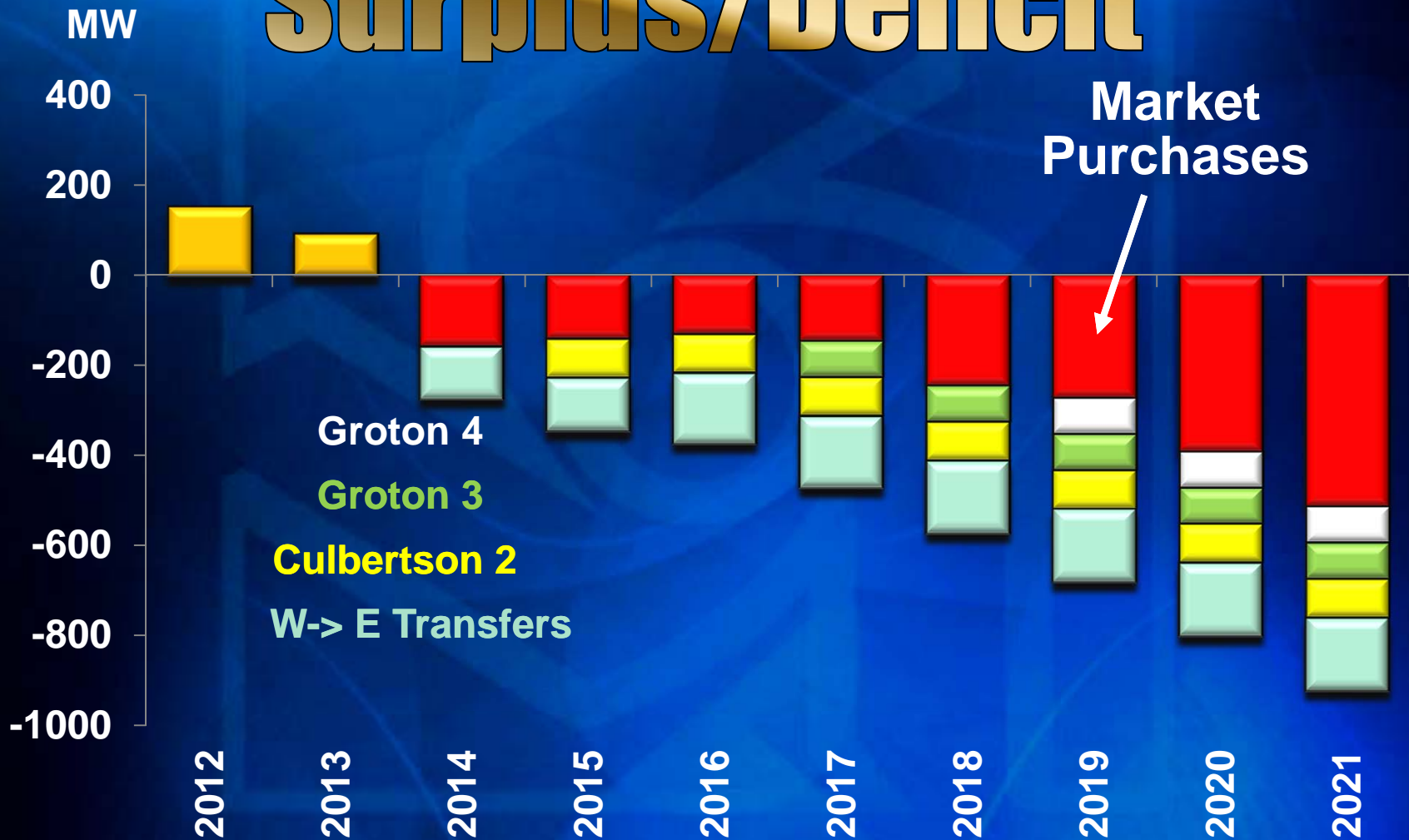
Western System Surplus/Deficit



Eastern System (IS) Surplus/Deficit



Eastern System (IS) Surplus/Deficit

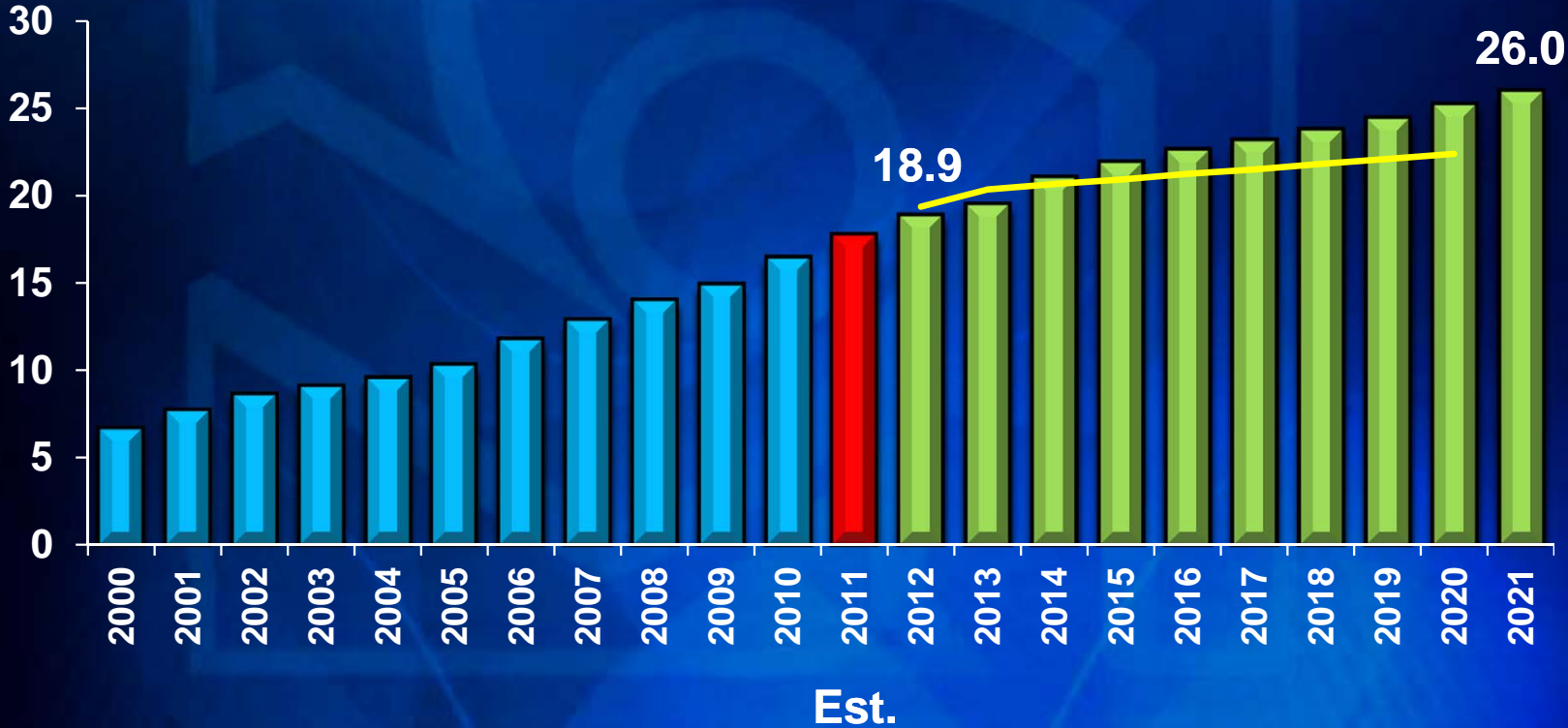


Power Sales



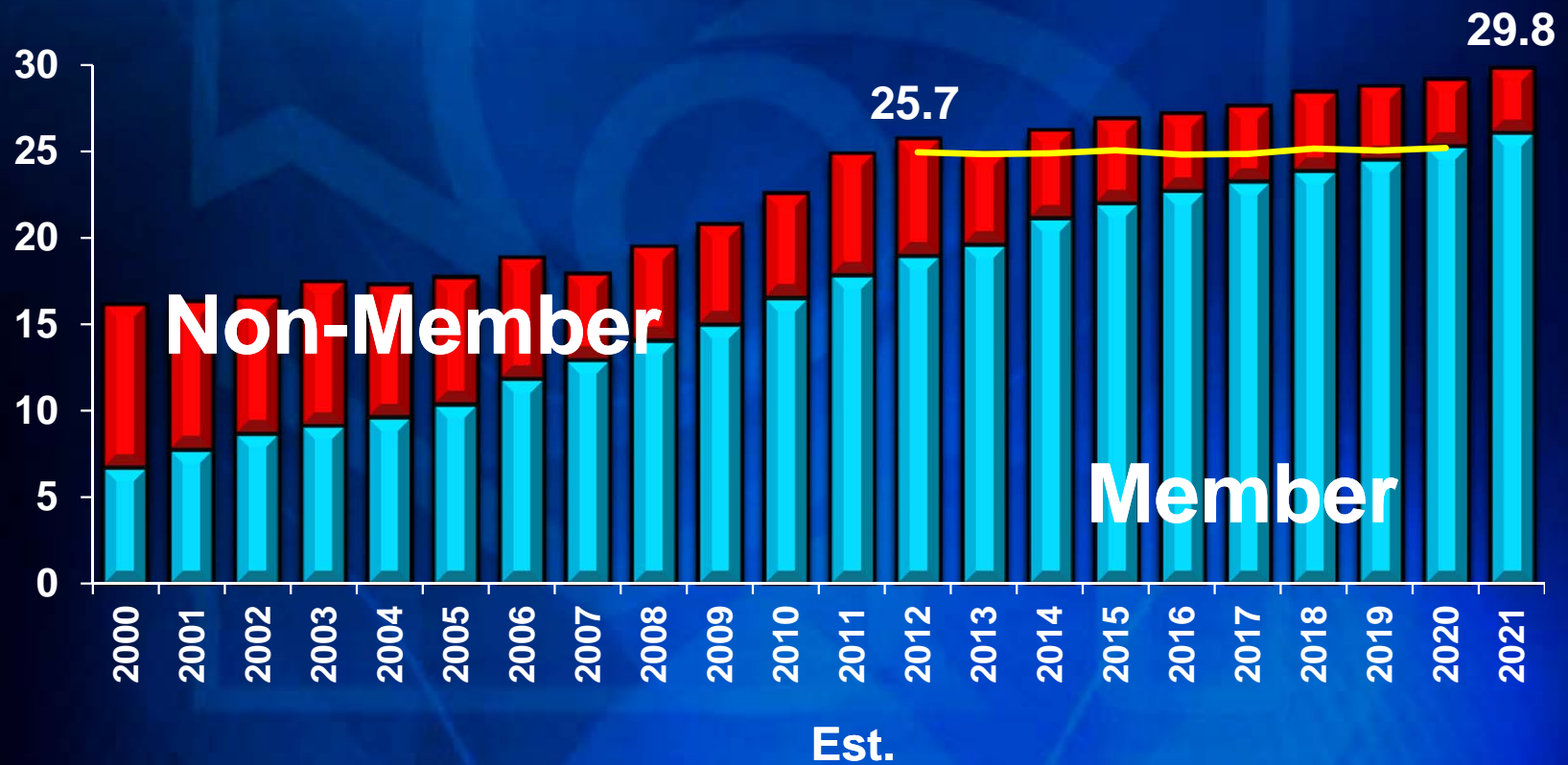
Member Energy Sales

Millions of MWh



Total Sales

Millions of MWh



**Base
Financial
Forecast**

Average Member Mill Rate

Mills/KWh

\$80

Annual Rate Increase

\$60

\$40

\$20

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

22



Average Member Mill Rate



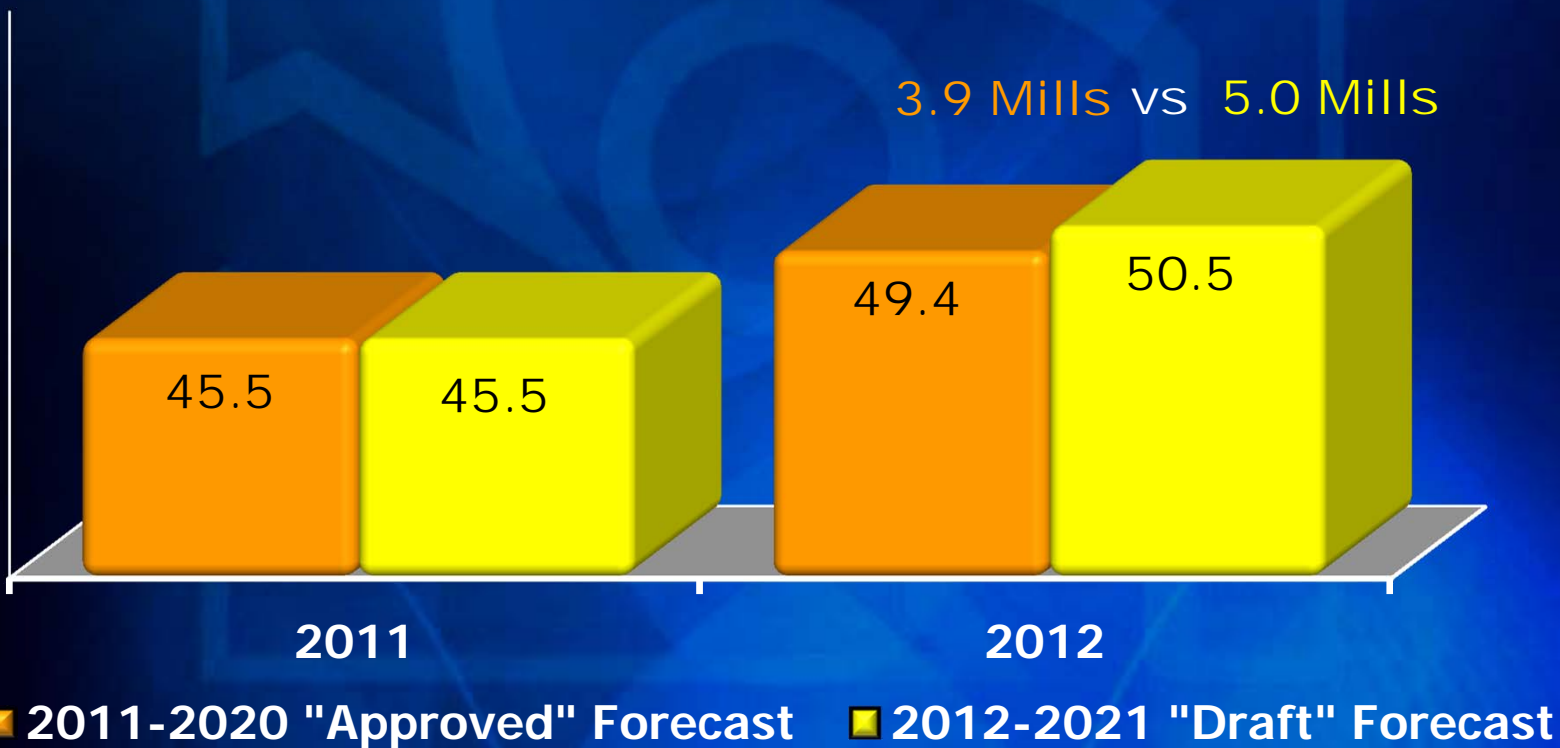
Member Sales (MWHs)

“What Changed?”

(2011-2020 Forecast vs 2012-2021 Forecast)

2011-2020 Approved Forecast vs 2012-2021 Forecast

Average Member Mill Rate



Cost Of Electric Service

2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



Fuel

Coal Facilities \$ 4mm

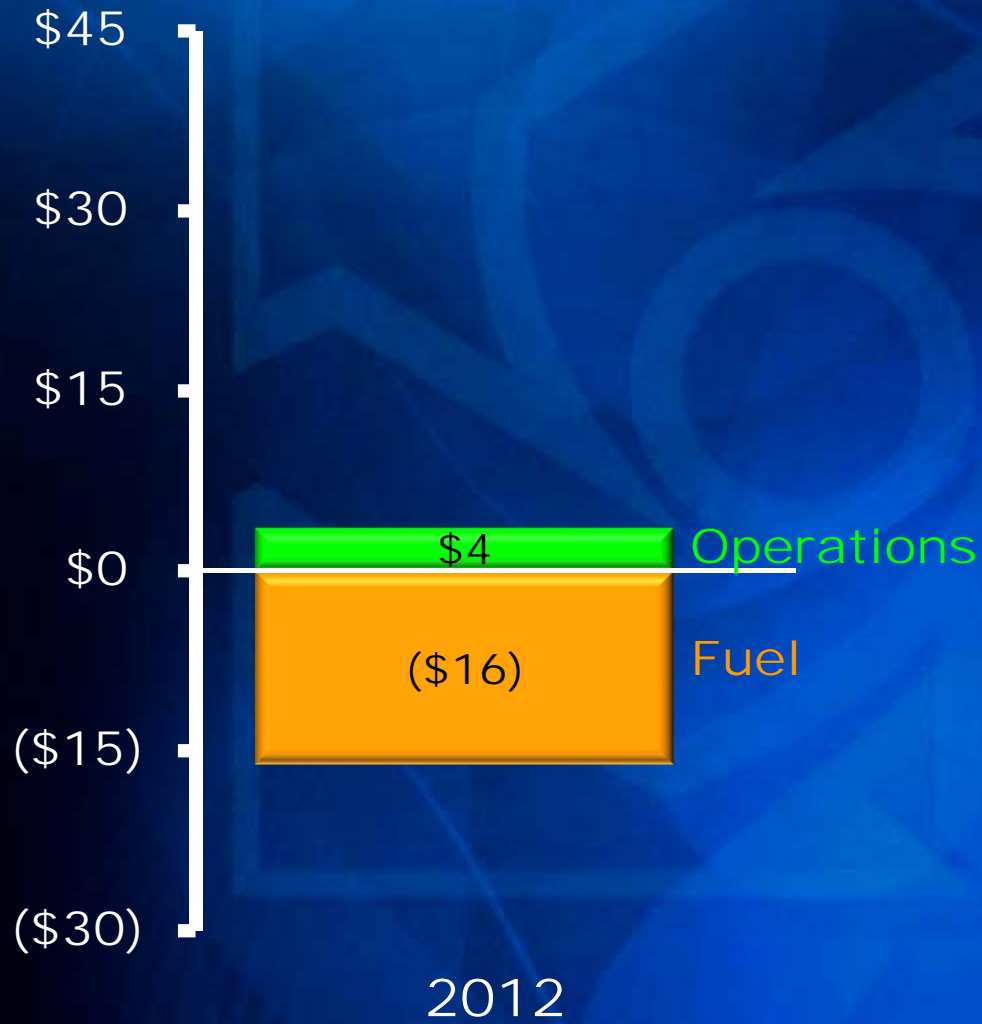
Gas Facilities (\$20mm)

Reduced generation

Gas Price Decrease

2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



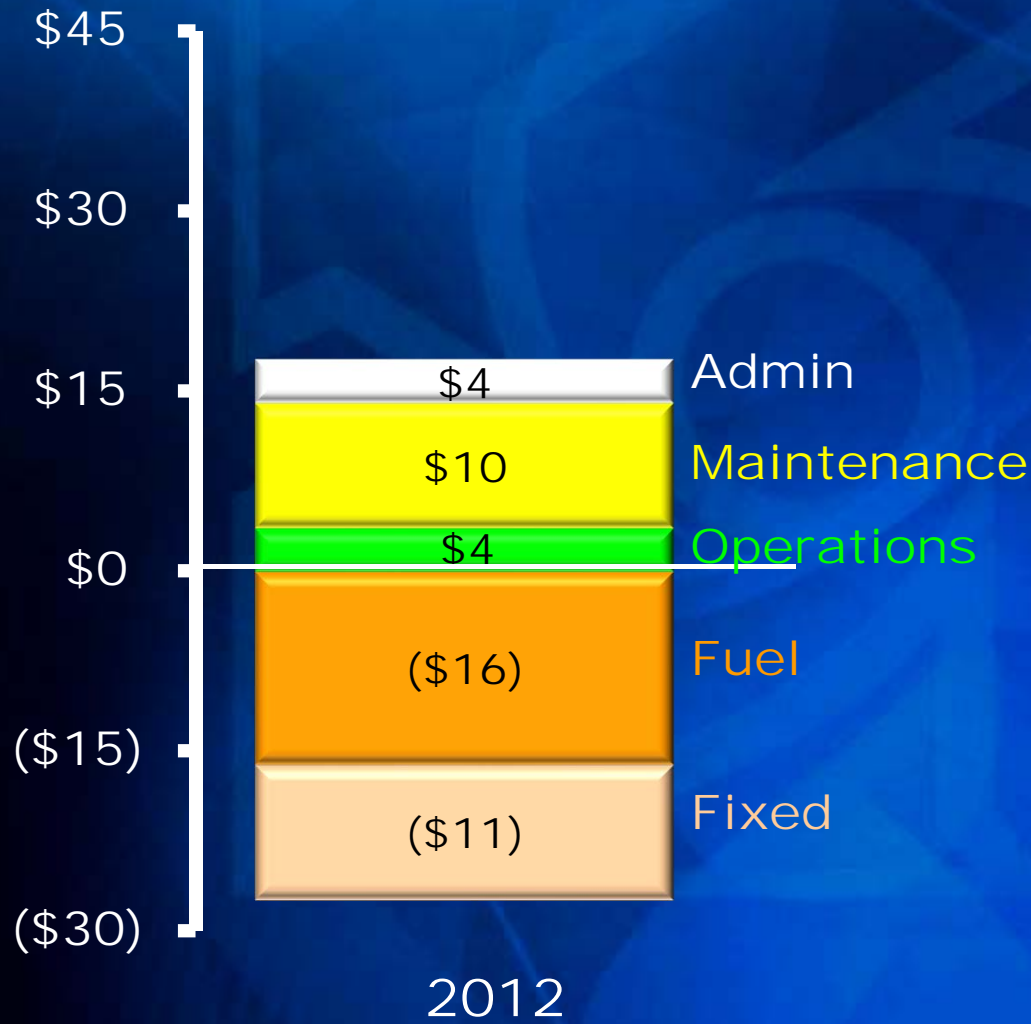
2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

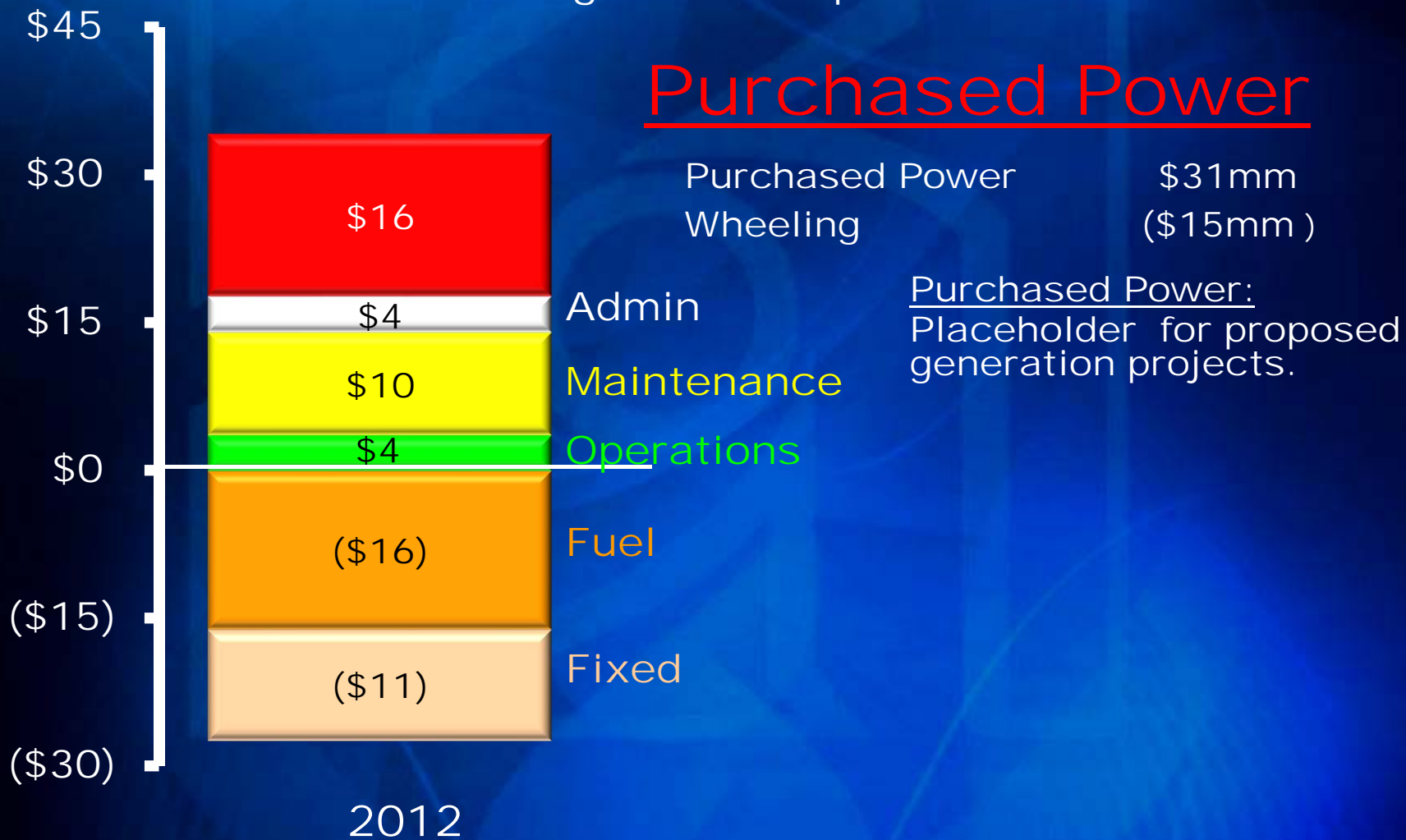
Changes to Cost Of Service



2010-2019 Approved Forecast vs 2011-2020 Forecast

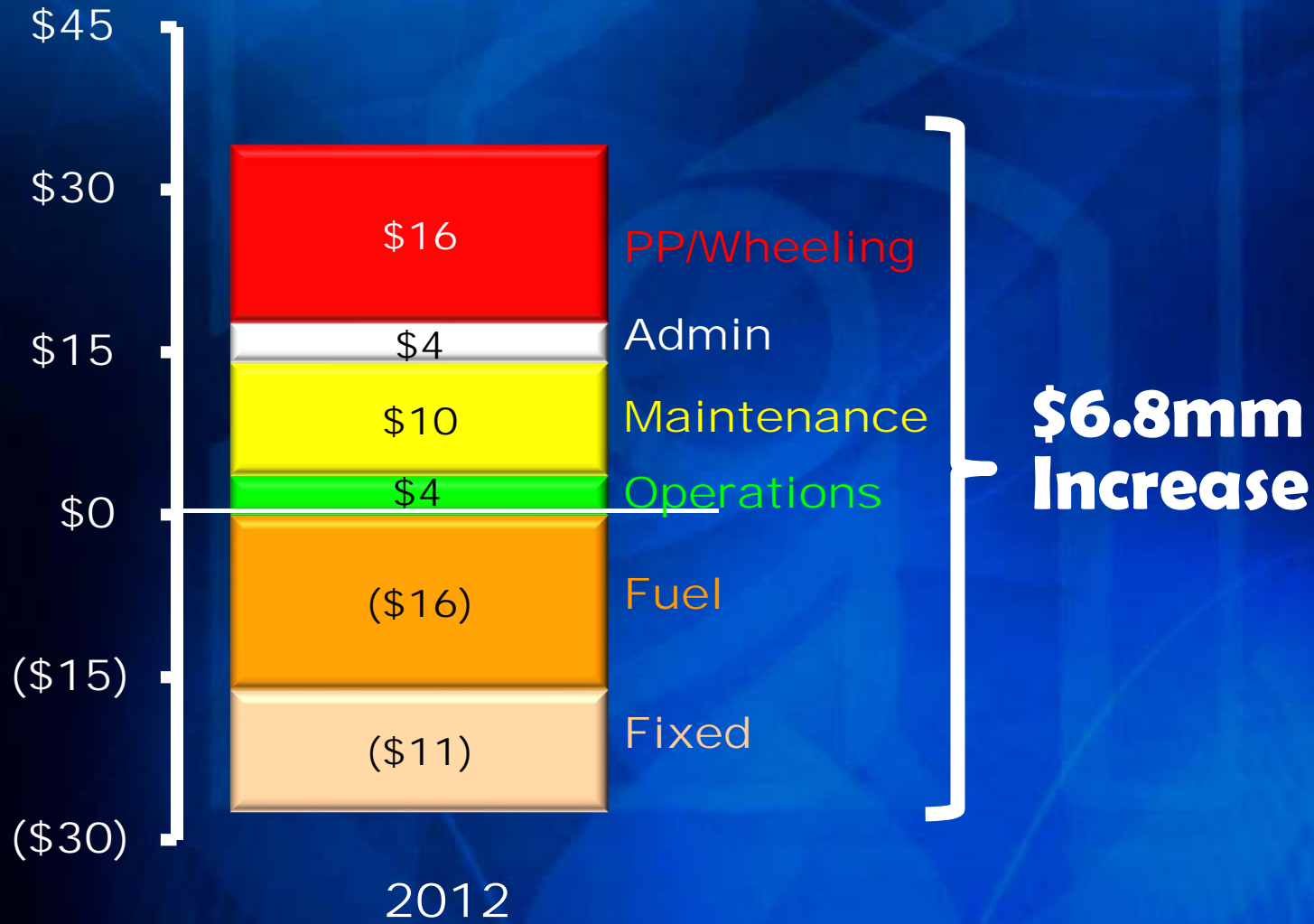
Changes to Cost Of Service

Excluding Carbon Impact



2011-2020 Approved Forecast vs 2012-2021 Forecast

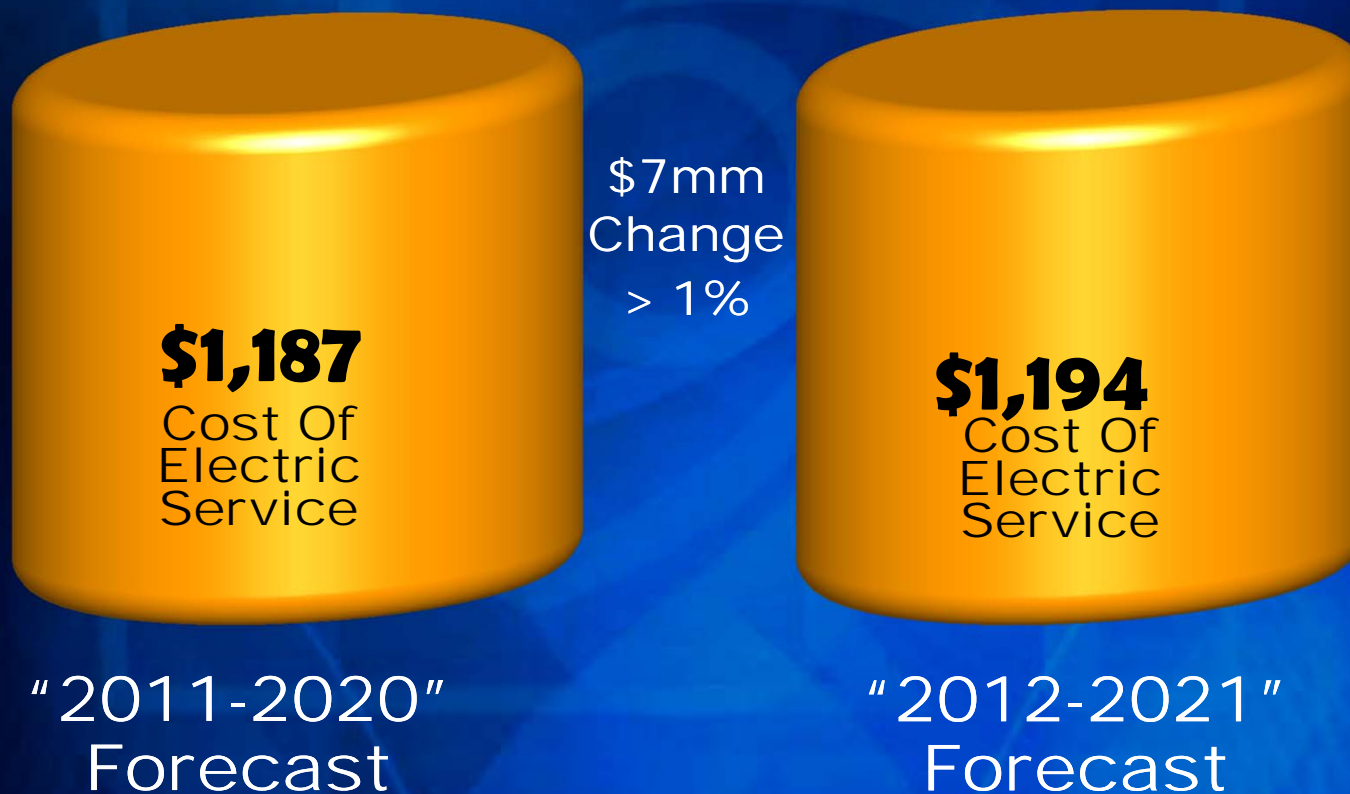
Changes to Cost Of Service



2011-2020 Approved Forecast vs 2012-2021 Forecast

Member Revenue Requirement

2012 BEPC Operations
(Millions)



Sales & Revenues

2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Revenue



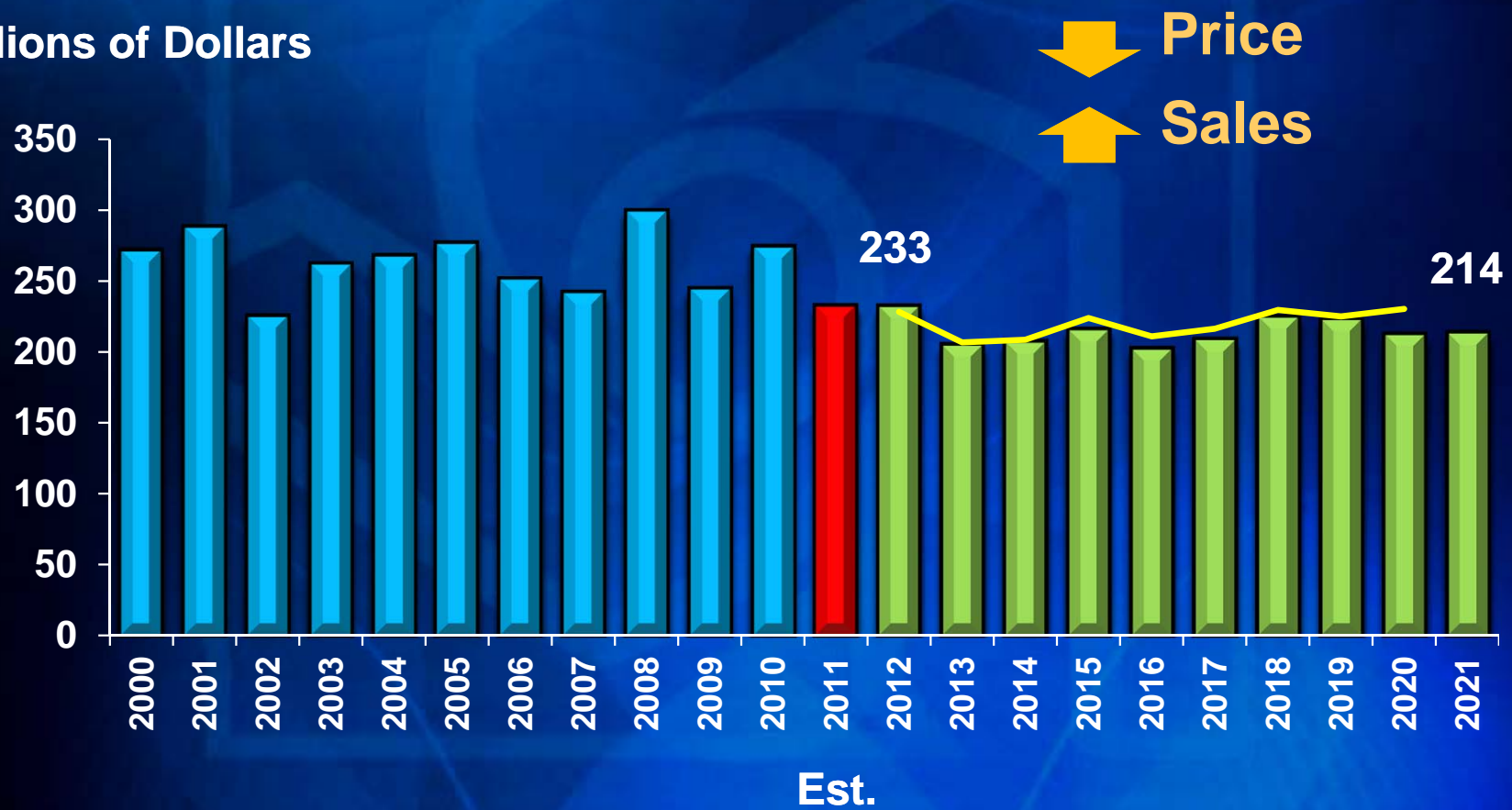
2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Revenue



Non Member Sales Revenue

Millions of Dollars



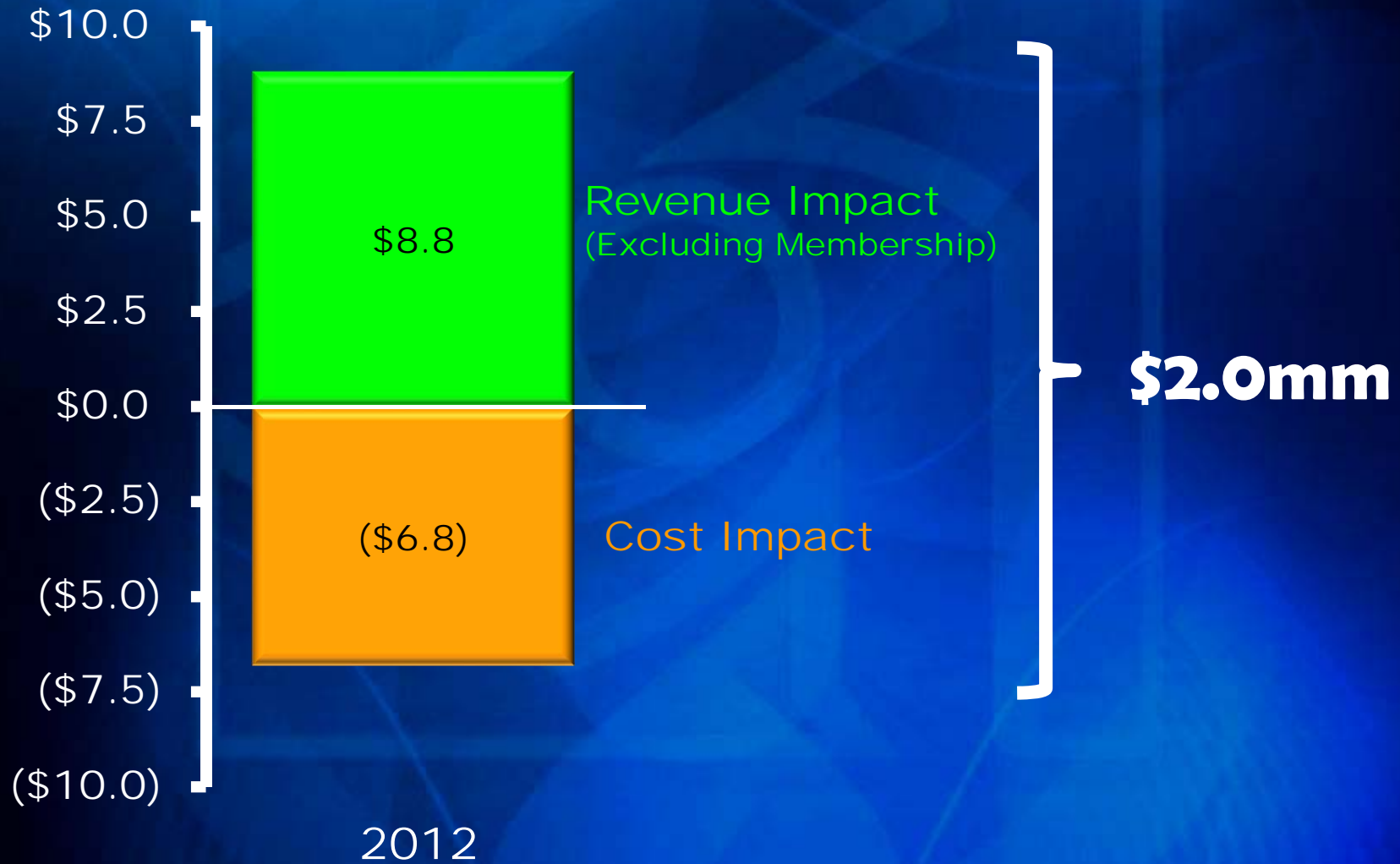
2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Revenue



2011-2020 Approved Forecast vs 2012-2021 Forecast

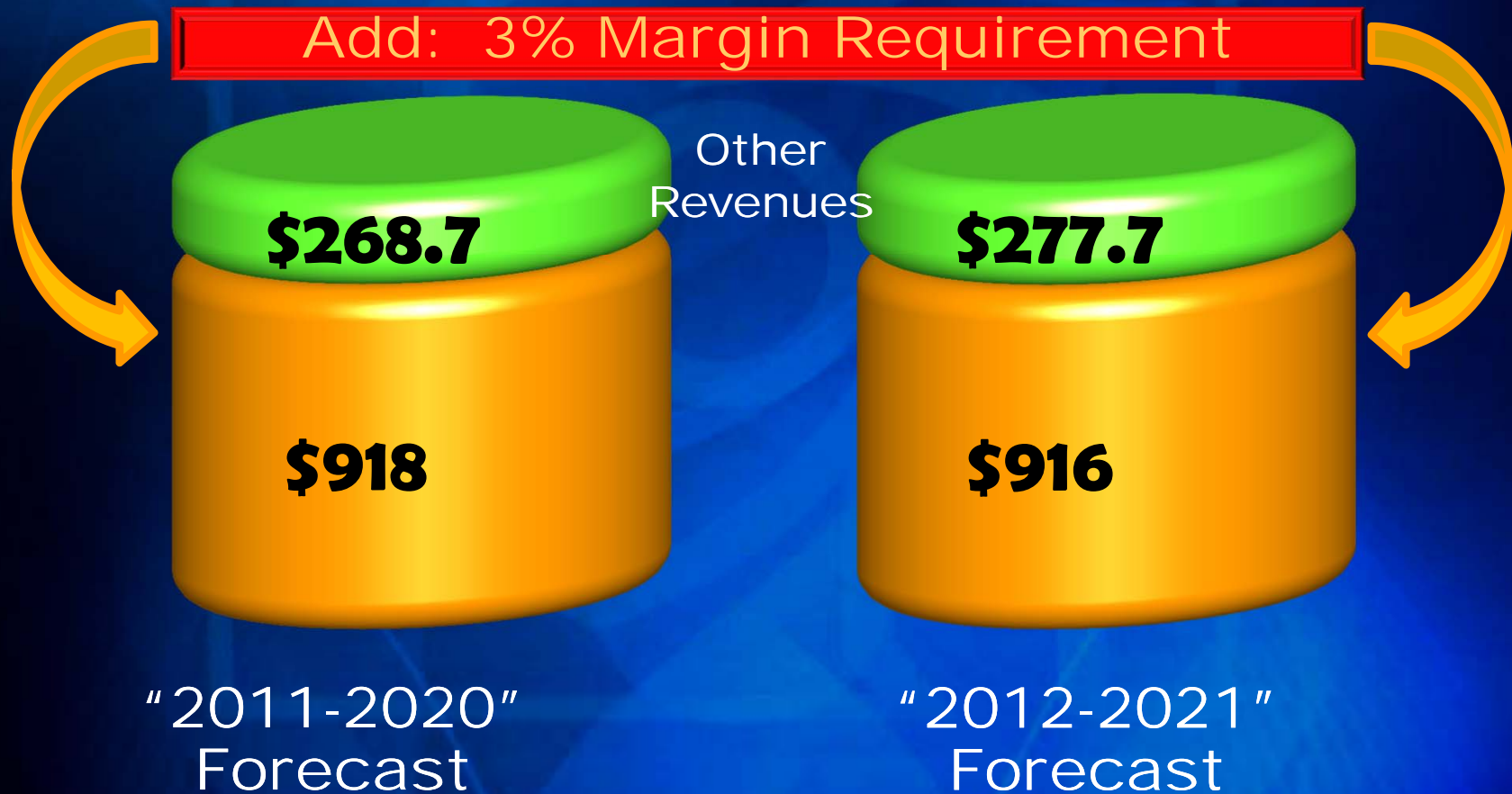
Margin Impact



2011-2020 Approved Forecast vs 2012-2021 Forecast

Member Revenue Requirement

2012 BEPC Operations
(Millions)



2011-2020 Approved Forecast vs 2012-2021 Forecast

Member Revenue Requirement

2012 BEPC Operations
(Millions)

Increase to Average Member Rate

3.9 Mills vs 5.0 Mills



"2011-2020"
Forecast



"2012-2021"
Forecast

2011-2020 Approved Forecast vs 2012-2021 Forecast

Member Revenue Requirement

2012 BEPC Operations
(Millions)

Average Rate 49.4 mills
Member Sales 19.4 MWh's

50.5 mills
18.9 MWh's

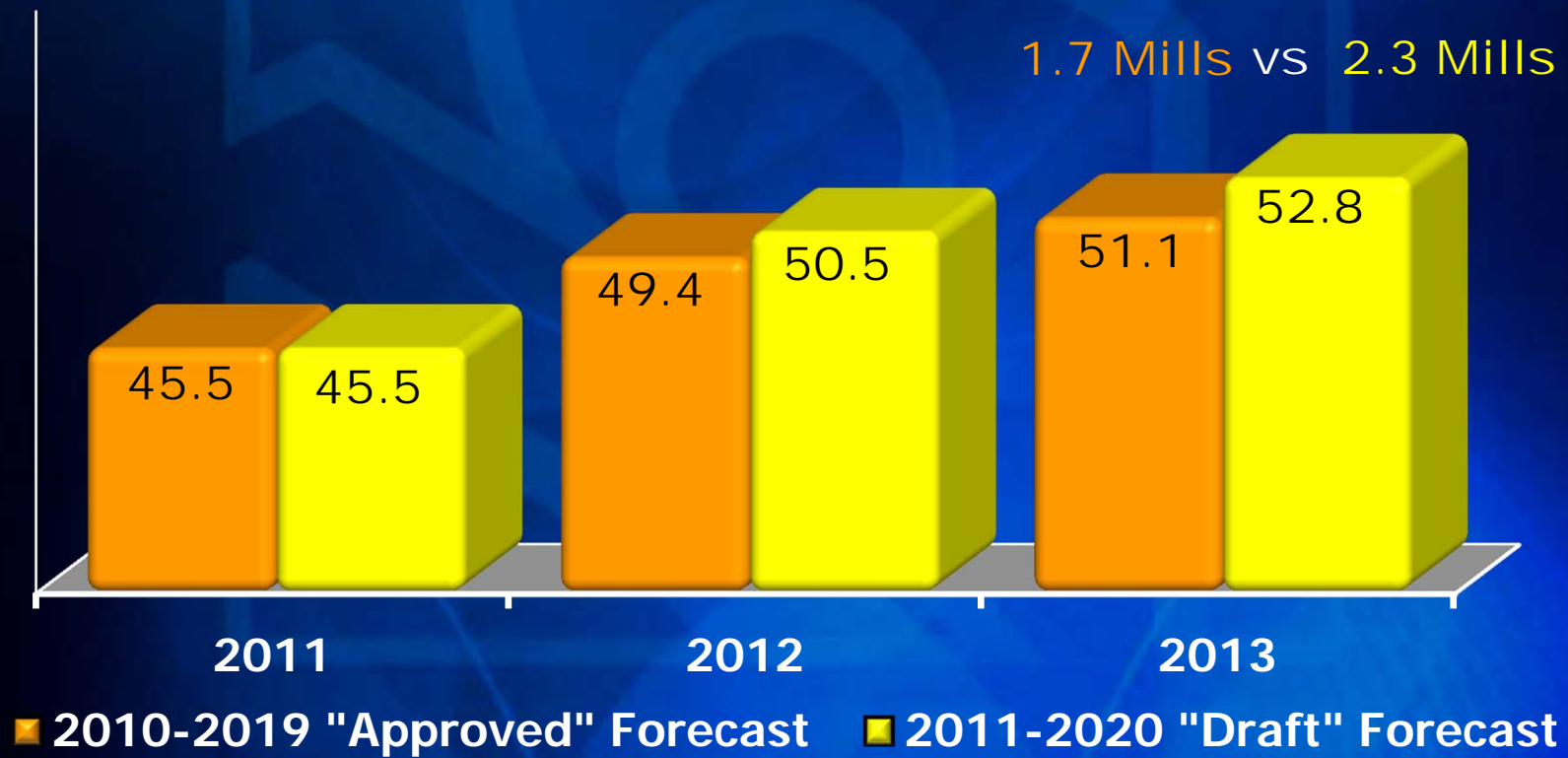


"2011-2020"
Forecast



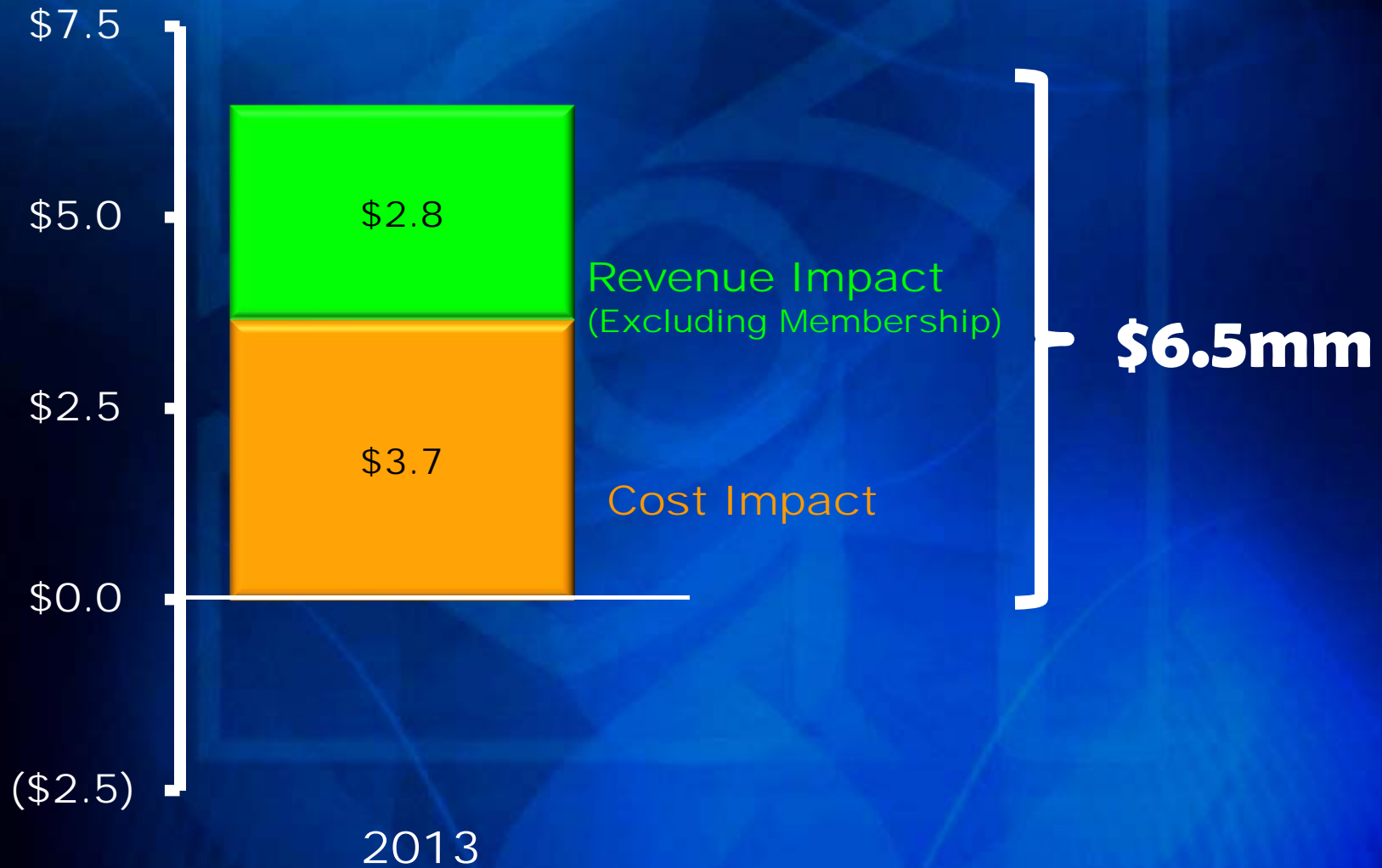
"2012-2021"
Forecast

Average Member Mill Rate



2011-2020 Approved Forecast vs 2012-2021 Forecast

Margin Impact



2011-2020 Approved Forecast vs 2012-2021 Forecast

Member Revenue Requirement

2013 BEPC Operations
(Millions)

Average Rate 51.1 mills

Member Sales 20.4 MWh's



"2011-2020"
Forecast

52.8 mills

19.6 MWh's

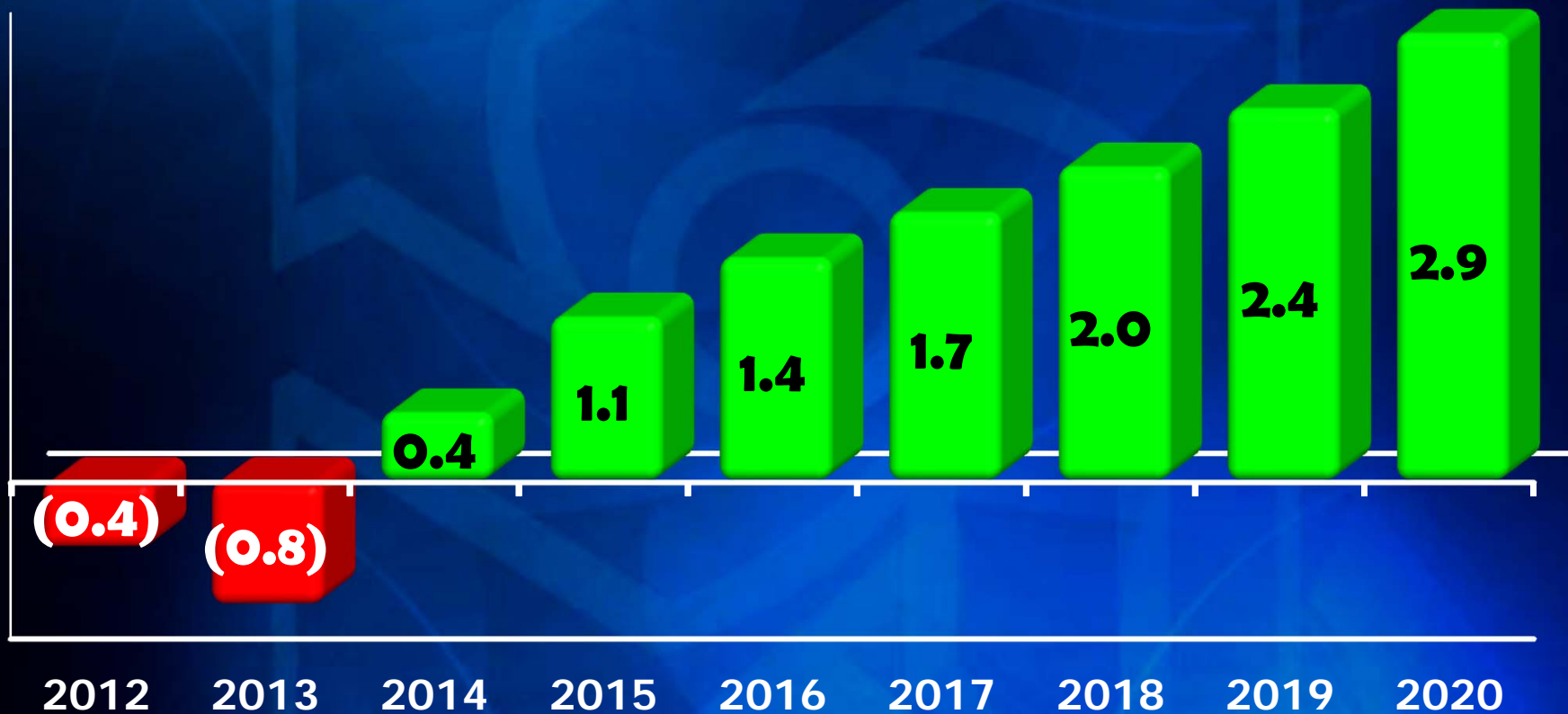


"2012-2021"
Forecast

2011-2020 Approved Forecast vs 2012-2021 Forecast

Changes to Member Sales

(Millions of mwh's)



Average Member Mill Rate

Mills/KWh

\$80

Annual Rate Increase

\$60

\$40

\$20

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021



Financial Issues

Capital Expenditures

BEPC 2012-2021 Financial Forecast

Capital Expenditures

Gen = \$249mm
Trans = \$446mm
Other = \$ 48mm

Western ND Voltage Support
Western ND 345kV Line
Central ND 345kV Line

Millions

\$250

\$200

\$150

\$100

\$50

\$0

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

\$175

\$92

\$76

\$134

\$90

\$72

\$31

\$16

\$34

\$20

\$743 million

Financial Issues

Capital Expenditures
BEPC Debt

2012-2021 Financial Forecast

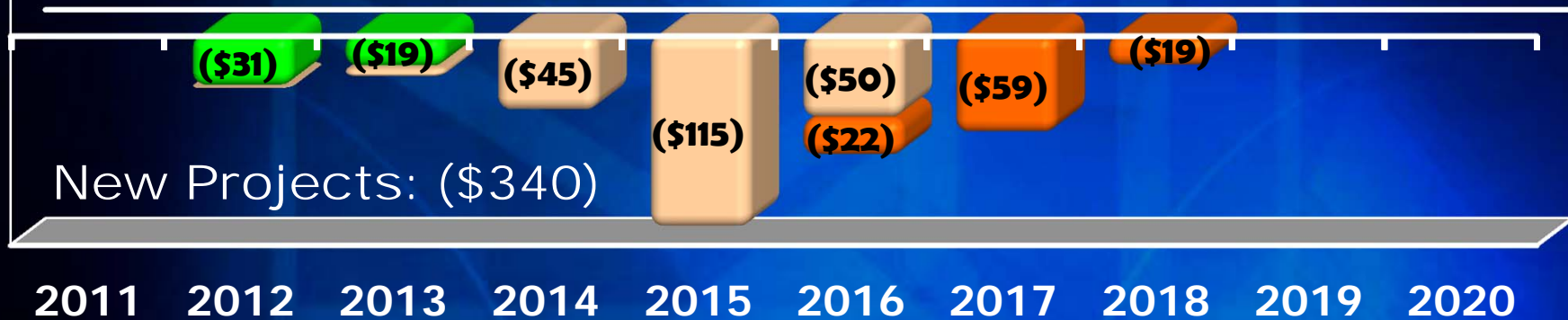
Transmission Projects

(Millions of Dollar's)

Western ND Voltage Support

Western ND 345kV Line

Central ND 345kV Line



2011-2020 Approved Forecast vs 2012-2021 Forecast

Transmission Projects

(Millions of Dollar's)

Western ND Voltage Support
Western ND 345kV Line
Central ND 345kV Line

" RUS Loans "



Financial Issues

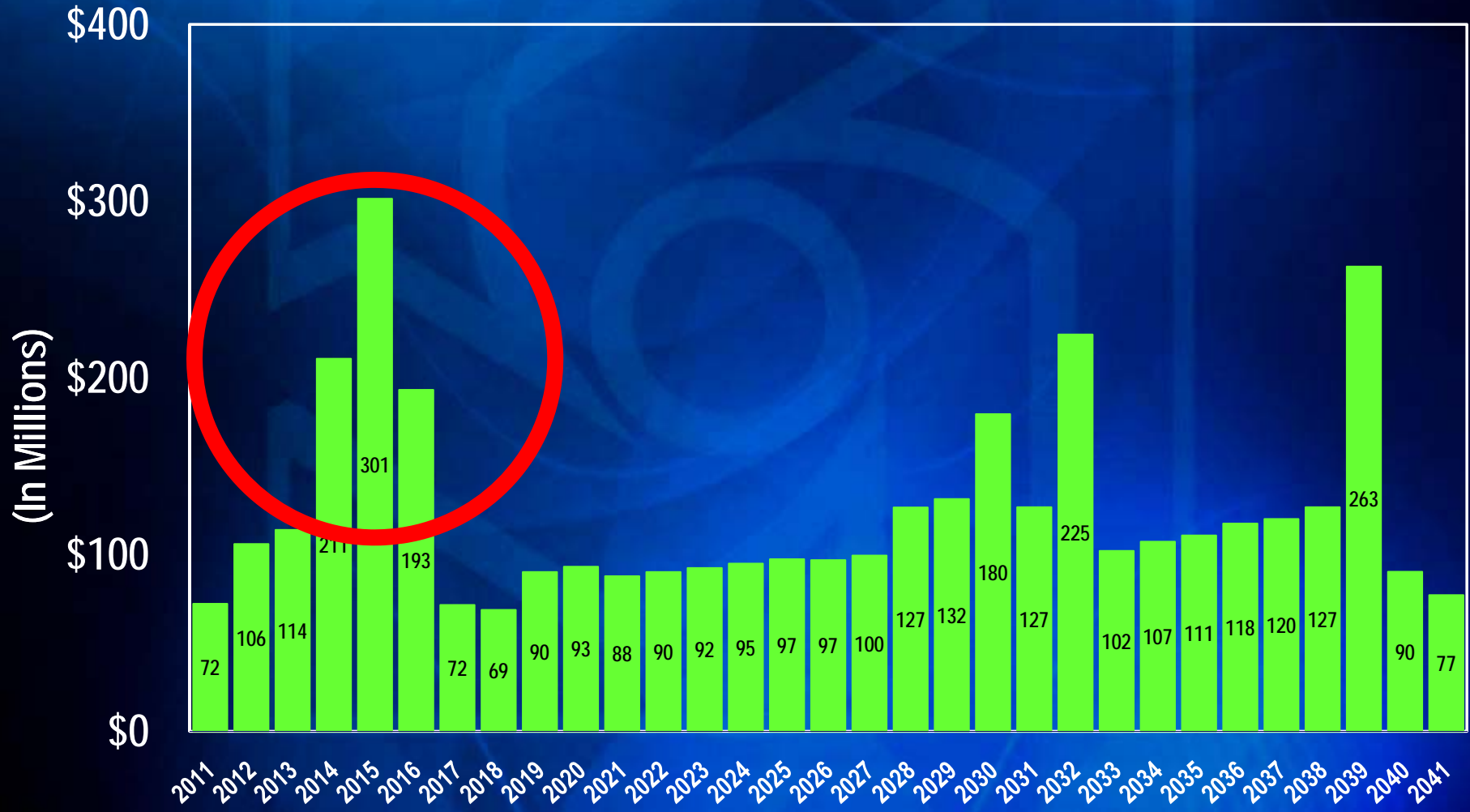
Capital Expenditures

BEPC Debt

BEPC LT Principal Payment

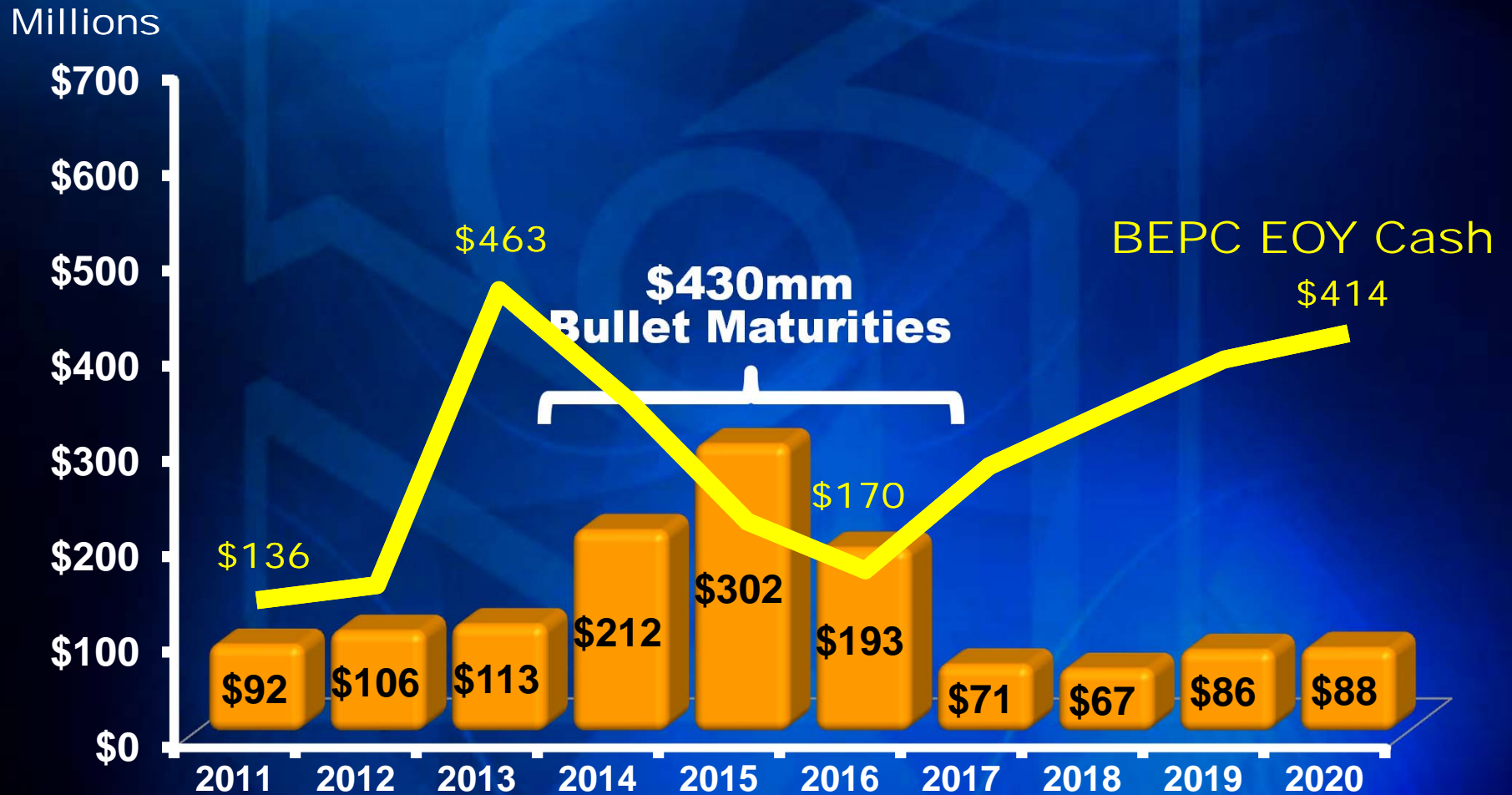
BEPC EOY Cash Balance

Basin Electric Power Cooperative Annual Principal Payments



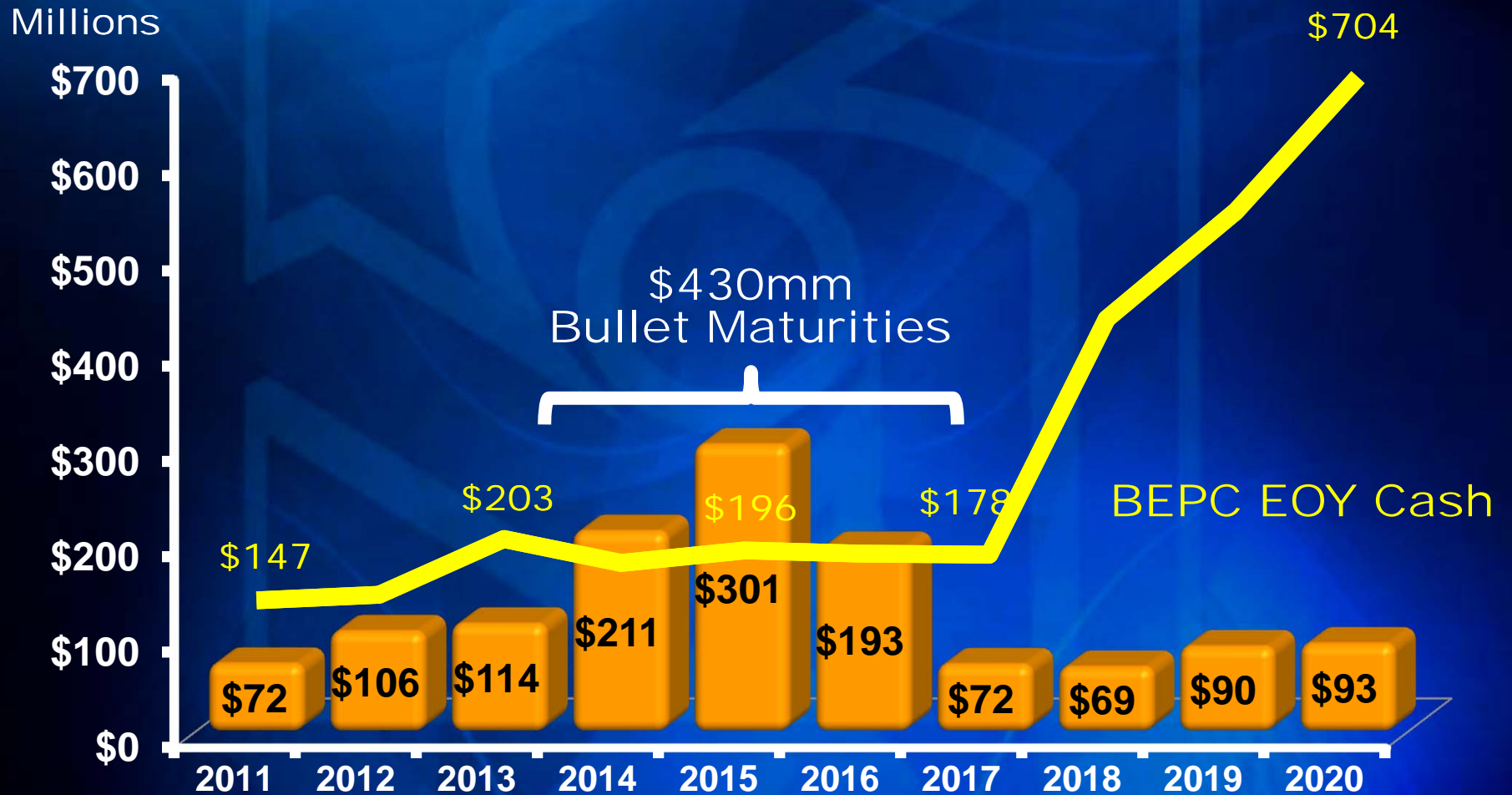
Principal Payments

(Long-Term Debt Only)



Principal Payments

(Long-Term Debt Only)



Bond Ratings

Standard & Poor's

Senior Secured A

Commercial Paper A-1

Outlook - Stable

Moody's

Senior Secured A1

Commercial Paper P-1

Outlook - Negative

Fitch

Senior Secured A+

Commercial Paper F-1

Outlook - Stable

Basin Electric Power Cooperative

2011 Operating Margin

BEPC Pre-tax Margin

2011 BEPC Operations

(Millions)



November 2010
"Draft" Budget



December 2010
Board Meeting

BEPC Pre-tax Margin

2011 BEPC Operations
(Millions)

\$32.7

45.5 mills
(Average Member Rate)
3.0% Margin
MFI = \$14.7



December 2010
Board Meeting

BEPC Pre-tax Margin

2011 BEPC Operations

(Millions)

Board Actions

February:

LOS #1 Scrubber Delay \$ 3.9

March:

DFS Delay to Aug 1st \$ 9.1

July:

DFS Delay to Nov 1st \$18.4

Intra-year rate inc. \$24.3

\$55.7

"with"
Board Actions

\$37.2

45.5 mills
(Average Member Rate)

3.4% Margin

MFI = \$14.4

Includes \$18mm
bill credit.

Actual 2011
Pre-Tax Margin

"without"
Board Actions

(\$18.5)



DISCUSSION