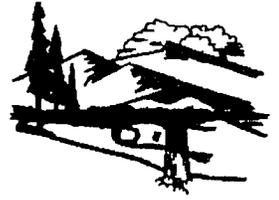




Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

August 8, 2008

Mr. Vernon R. Laning
Basin Electric Power Cooperative
1717 East Interstate Avenue
Bismark, ND 58501

Re: Notice of Violation

Dear Mr. Laning:

Enclosed you will find a Notice of Violation (NOV) issued to Basin Electric Power Cooperative by the Department of Environmental Quality, Air Quality Division for failing to control fugitive dust from the coal stockpile as required by permit 3-1-102-1.

As the Department and this Division consider the failure to comply with air quality regulatory requirements and permit conditions to be a serious matter, I am considering recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this issue prior to action on the referral by the Attorney General's office, please contact Ms. Karen Godman, Air Quality Compliance Program Principal, at 307-777-8601 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding the Notice of Violation, please feel free to contact me or Ms. Karen Godman.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Nancy Vehr
Robert Gill
Glenn Spangler, District 1 Engineer
Keith Guille



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION
ISSUED TO BASIN ELECTRIC COOPERATIVE,
MR. VERNON R. LANING,
1717 EAST INTERSTATE AVENUE,
BISMARCK, ND 58501**

DOCKET NO. 4342-08

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Basin Electric Power Cooperative to be in violation of permit 3-1-102-1 issued in accordance with W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 3 of the Wyoming Air Quality Standards and Regulations in the operation of the Laramie River Station located in Platte County, Wyoming.

2. W.S. 35-11-801 states, "In granting permits, the director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

3. Chapter 6, Section 3 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to major sources under Wyoming's Operating Permit Program.

4. Permit 3-1-102-1 was issued to Basin Electric Cooperative on November 15, 2005. Condition (F7) of permit 3-1-102-1 requires that, 1) All activities on the coal storage pile shall be conducted such that fugitive dust emissions are minimized, 2) The coal storage pile sealant shall be maintained such that it remains an effective dust suppressant, and 3) that water shall be used on active portions of the coal storage pile to control fugitive emissions from vehicular traffic.

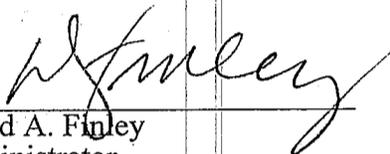
5. On July 11, 2008, Mr. Thor Nordwick, Air Quality Division Engineer, observed a significant amount of dust generated at the coal stockpile and from vehicles operating near the stockpile.

6. Said violation consists of the failure to control fugitive dust from the coal stockpile as required by permit 3-1-102-1.

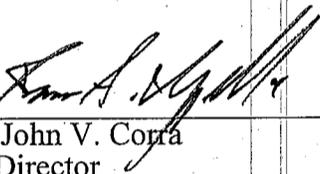
7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

8. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 8th day of August, 2008.



David A. Finley
Administrator
Air Quality Division



John V. Cona
Director
Department of Environmental Quality

Please direct all inquiries to David A. Finley, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor East, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393)