Questions on these minutes should be referred to your G&T.

Manager's Advisory Committee Meeting
May 3, 2017
Amended SUMMARY

Rates-MAC Present	Others Present
Tom Boyko – East River Electric	Tary Hanson - Tongue River
Dave Eide - Codington Clark	Chris Baumgartner - KEM
Curt Dieren – L&O Power	Mick Kossan - CPEC
Scott Sweeney - Fergus Electric	Kory Johnson - Agralite
Tom Meland – Central Power	Ted Smith - Sioux Valley Energy
Paul Fitterer - Capital Electric	Wayne Martian - North Central Electric
Matt Washburn - NIPCO	Pat Carruth - MN Valley Coop Light&Power
Ryan Hentges - MNVEC	Bruce Kraemer - Crow Wing Power
Brad Nebergall – Tri-State	Bill McKim - Midland Power
Paul Erickson - Sangre de Cristo Electric	Carman Hosack - Nishnabotna Valley REC
Doug Hardy – Central Montana	Steve VerMulm - NIPCO
Tim Stephens - Park Electric	Bob Sandberg - Wright-Hennepin
Vic Simmons – Rushmore	Jeff Ten Napel - Osceola Electric Coop
John Lee - Butte Electric	Lyle Korver - North West REC
Claire Vigesaa – Upper Missouri	Jeff Bean - NIPCO
Jerry King - Burke Divide	Kent Amundson - Woodbury REC
Tim Sullivan - Wright-Hennepin	Scott Reimer - Federated
Mike Easley – PRECorp	Jason Brothen - Mid-Yellowstone Electric
Ken Kuyper – Corn Belt	Jeremy Mahowald - Upper MO
Rick Olesen - Iowa Lakes Electric	Jack Hamblin - Southeast Electric
Tim McCarthy - Sioux Valley Energy	Martin Dahl - McLean Electric
	Bruce Garber - Dakota Valley
	Walker Witt - Black Hills Electric
	Dick Johnson - West River Electric
	Ross Loomans - Lyon REC
	Don Franklund - IEA
	Colle Nash - Grand Electric
	Kevin Mikkelsen - Rosebud Electric Coop
	John Skurupey - McKenzie Electric
	Michael Hoy - McCone Electric

Basin Electric	
Paul Sukut	Tom Christensen
Dave Raatz	Ken Rutter
Becky Kern	Garrett Schilling
Lisa Carney	Dale Niezwaag
Dave Sauer	Steve Johnson
Sue Sorensen	

General Manager's Report

Paul Sukut, CEO & General Manager, briefed committee members as to the current UREA plant status start up in November 2017. He reviewed the current organizational changes at Basin Electric and those changes that took place at DGC.

Member Managers Report

Claire Vigesaa, Upper Missouri - posed the question to Basin Electric staff, "How can we strategically plan to be relevant to the future and protect the members and owners?"
Mike Easley, Members 1st - Touched on a few high points.
Matt Washburn, NIPCO - Informed the committee on his recent trip to WA for the NRECA conference. The Iowa delegation question current regulations are not working and how can they help.
Ken Kuyper, Corn Belt - Still seeing challenges in transmission limitations and operations; FERC continues to take a lot of time.
Dave Eide, Codington-Clark - Seeing more residential solar inquires.
Tom Boyko, East River Electric - Has one ethanol plant putting in a generator this year. He heard the same thing from his delegation in DC, we need to revisit what regulations need to be changed.
Brad Nebergall, Tri-State - Tri-State received a final un-appealable air permit.
Vic Simmons, Rushmore - Nothing to report.
Doug Hardy, Central Montana Electric - 2011 FERC case is scheduled for oral arguments. Meeting in DC with EPA member keyed in on how bad Middle America was treated and that should be turning around.
Tom Meland, Central Power - A settlement was reached on their FERC and submitted a second annual update of their SPP.
Ryan Hentges, MVEC - Passed.
Curt Dieren, L&O - Performed a study regarding putting certain facilities into SPP and determined there wasn't enough benefit for L&O at this time.

Paul followed up with an editorial comment to the committee, Basin Electric will hold a strategic planning session with the Board. Highlight of the session will be DGC, what do we do going forward.

YTD Financials/Austerity

Steve Johnson, senior vice president & CFO - Giving the group an update on the Basin Electric consolidated YTD financial results. January through March figures show BE standalone doing extremely well. Comparing in detail to last year at this juncture, we were starting to have talks on a mid-year increase. He then ran through what is going on behind the scenes; while sales to members and surplus sales are down, expenses are well under budget.

Question from committee members answered by Basin Electric staff

Steve then moved to the expense side. Basin Electric staff continues to watch every dollar spent. In addition, we have seen a reduction in workforce from last year. He touched on DGC showing sales and revenue are up. Looking specifically at anhydrous ammonia, sales and prices are lower than what was reflected in the budget. This is having a significant financial impact. We are right in line with where we were last year with expenses and finding ourselves well under budget.

Questions from committee member answered by Basin Electric staff

Basin Electric has engaged Aspen Ratings for an independent review of Basin Electric's credit from an outsider's perspective. We will use this feedback as we develop a policy on metrics, margins, deferred revenue, etc. There will be more follow-up in the future on this.

Finally, Steve briefly discussed the Cooperative's recent $500 mm bond issuance.

Questions from committee members answered by Basin Electric staff.

DGC Economic Valuation

Steve Johnson, senior vice president & CFO introduced the topic of what the value of DGC would be if it were sold in the current environment. While staff was very comfortable with the model that was developed internally, we also believed an independent party should review and verify the results of the current model. We engaged RBC Capital Markets to do so. Their scope of the work was to analyze Basin's Electric internally built discounted cash flows, they were to build a third-party, independent cash flow model, and lastly provide information and material as needed to support presentations to the Board and management.

Katrina Wald, senior financial analyst set the ground work as to why Basin Electric utilized the Discounted Cash Flow valuation methodology. Some common valuation methodologies were discussed including the comparable company analysis, precedent transactions, Gordon Growth model, and discounted cash flows. A review on how Basin Electric staff was discussed. The assumptions used in the model were based on operating expenses from 2017-2026 Financial Forecast as well as production volumes from the 2017-2026 financial forecast. The model assumed a transaction date of December 31, 2018, and used, 20-years of cash flows. Lastly, all of these assumptions were based on the assumption that DGC would continue to operate as it is today. If not operated as a coal gasification facility by the buyer, we would see a loss in coal benefits, shared services revenue, and see a reduction in the electric load.

Katrina moved onto pricing assumptions for natural gas, oil and fertilizer. All these assumptions were used in developing cash flows and the pricing assumptions were adjusted to arrive at, three cases (base, high and low). The cash flows in each of the cases were discounted at certain discount rates to arrive a range of values.

Questions from committee members answered by Basin Electric staff.

The impact on the Financials a potential DGC Sale could have are discussed by Katrina. The impacts include balance sheet and income statement impacts.

Questions from committee members answered by Basin Electric staff.

The benefits to Basin Electric were also discussed. In a sale scenario, there is the assumption the buyer would continue to operate as a coal gasification facility so the coal benefits would remain. Some of the allocations may go away but Basin Electric would be burdened with the remaining amount. In addition there would be a charge in power revenue and loss of interest income without DGC. There is a loss of benefits in the early years and that would be an ongoing impact.

Questions from committee members answered by Basin Electric staff.

Lastly, it was discussed as to what it would take Basin Electric not to have a loss in a sale situation. The next steps include strategic planning for Mercer County assets and continuing review of other opportunities at DGC.

Questions from committee members answered by Basin Electric staff.

The takes a ways from this analysis are 1). It may be difficult to sell DGC as-is in current market; 2) Sale could result in immediate impact to Basin Electric financials; 3) On going impacts at Basin Electric due to loss of DGC benefits.

Rate Subcommittee discussion update

Vic Simmons, CEO & General Manager of Rushmore Electric started discussions with the committee on issues that have been addressed are short-term in nation so far, next year's rate, and recent margin levels. Next steps the committee is looking to take is on the long-term issues, such as structure change which hasn't been addressed yet. Paul Sukut pitched to the committee an example a $60mm margin would get us to a low range and meet all of our metrics, what this means in a Basin Electric only margin, we think if everything would hold we would have a Basin Electric only of $188mm, about $43mm in excess. The first recommendation the Rate Subcommittee made to bring to the MAC would be to get the revenue deferral back to $50mm, remainder was suggested to take to the Board and consider doing a 1 mill rate reduction in 2018.

Doug Hardy moved that this MAC make the representation to Paul Sukut to recommend he consider this package and take it to the Board, Tom Meland seconded the motion; motion passed.

Questions from committee members answered by Basin Electric staff.

Matt Washburn moved that Paul incorporate a policy on how excess margins in 2017 are handled, *i.e.*, Bill Credits or rate decrease. The MAC

recommends to Paul Sukut, Basin Electric consider a 1 mill rate reduction, as one of the options, in setting the 2018 utility rate levels. _______ seconded the motion; motion passed.

The question is posed to the committee members if at the Basin Electric, should there be a level of some type of formality, especially when looking at DGC and Mercer County assets domino effect.

Rate Subcommittee discussion update continues

Dave Raatz, senior vice president of Resource Planning presented to the committee members how through the Rate Subcommittee recommendations were broken down into three parts. Starting with Generator Depreciable Life for 2050 Term contracts, address what would happen with Capital additions in the last five years of the 2050 Contract Term, lastly a streamlining of the calculation process. All three processes ended with a vote of 10 to 1 at the Rate Subcommittee and the recommendations were to move forward.

Current 2050 Term Contract Depreciation today is based on the depreciable life of the generating asset as of 12/31/2015. The 2075 Contract holders reflect the foundation for the 2075 contract term, depreciation for coal is at 60 years (with the exception of the Leland Olds Station) and natural gas facilities are at 50 years. The Recommendation for the 2050 Term Contract is to look at the assets and charge through rates the depreciation assessed on the assets for the lessor of the year 2050 or its extended depreciable life. The dollars that would be collected from the 2050 contract holders are basically the same over the term of the agreement, it is the timing of when you collect the dollars.

The second topic is how to treat the capital additions during the last five years of the 2050 Contract for the 2050 contract holders. Any capital additions that happen to the coal and gas assets during the time period between 2045 and 2050, Basin Electric would expense the capital additions over the remaining depreciable life of the asset.

The last item, as rates were set for 2016 and 2017, there were uncertainties as to who would extend to 2075 and would not, so we look at 2016 and 2017 as a transitional period. Now we know who has extended and who has not, and as such we have the ability to calculate the rates correctly without the need for a year-end true up which was utilized because of the uncertainty of who was extending and who was not. Basin Electric staff was tasked with recalculating the 2017 rate with this concept, however when recalculating the rate for 2017 staff ran into some difficulty because the 2016 mid-year rate increase was rolled into 2017 and the normal calculation was not done. To get a good example, staffed calculated the 2018 rates under both concepts. Keeping in mind, the rates calculated for 2018 are not correct as we do not know what the 2018 revenue requirement is going to be. For the transitional calculation, staff calculated the initial rates with a discount rate to reflect the net rates. With the proposed methodology, that has a specific rate for the 2050 contract holders and the 2075 contract holders, for

the 2018example, the Base Demand and Energy rates are slightly lower because we don't need to do the $2mm end of year redistribution process.
It was mentioned by the Rate Subcommittee members that Basin Electric staff needs to articulate in the rate schedule the 2075 contract term holders are receiving a lower rate because of the extended term of their contract. The rate schedule will be modified to reflect the correct language.

Mike Easley motioned to accept the Rate Subcommittee recommendation concerning Contract Term Pricing; seconded by Claire Vigesaa; Ken Kuyper opposed; Motion passed.

Questions from committee members answered by Basin Electric staff.

Demand Period Waiver - A conservative look was used by staff, recognizing this was conservative, no new resources would need to be added. Staff worked through the Rate Subcommittee and determined an expansion of the demand period waiver could be incorporated. It was also stated that language would be added that the Demand Period Waiver has a commitment for one year with the intent for five years, to allow the membership to utilize the program. With the expansion of the Demand Period Waiver, Basin Electric could see approximately $500,000 of lost demand sales. The time periods for the Demand Period Waiver were modified to obtain some seasonal consistency to implement the program.

Question from committee member answered by Basin Electric staff.

Tom Meland motioned to accept the Rate Subcommittee recommendation on expansion of Demand Period Waiver Hours; seconded by Tom Boyko; Motion passed.

Purchase Rates - as Basin Electric staff is looking at the rate schedule we are in the process of streamlining it. We would like to accommodate generation on the member systems. Our goal is to consolidate the purchase rates into one rate that would cover generation from 150 kW to 5 MW. We are also looking at having a consistent on/off peak payment rate and not vary by power supply area. The new consolidated purchase rate would require time registration metering, and the Rate Subcommittee did make a recommendation to modify our purchase rates to accommodate this.

Vic Simmons motioned to accept the Rate Subcommittee recommendation; seconded by Doug Hardy; Motion passed.

Electric Heat Rates - reviewing the rates, there has been a lot of discussion on the value of this rate. The conclusion was to have a rate today that is approved on a year to year basis with an intent to maintain for five years. Dave showed last year's forecast for the Electric/Dual Heat Rate and we will update them once the new Financial Forecast information is available. One thing Basin Electric staff did review and will recommend to continue the rate and continue the way staff calculates the rate. A lot of questions were received on the load management restrictions contained in the Electric

Heat rate. Some cooperatives have questions about what is acceptable and what is unacceptable regarding load management. There has always been some load management restrictions under the Electric Heat rate, we are giving you a 65% load factor credit to reduce the demand. What is not acceptable is if you have direct touch to the consumer, positive control, directly turn off electric heat, if you use time of use rates outside the demand period waivers you can use this to promote off-peak heating, direct consumer Facebook and text messaging, demand controllers, time clocks, etc. Acceptable alerts are those types of alerts that are non-direct, such as a post to a member's website or a general Facebook post.

Questions from committee members answered by Basin Electric staff.

Tom Boyko motioned to endorse the modification of the capacity factor of the four systems that utilize voltage reduction technology; seconded by Tom Meland; Motion passed.

Interruptible Rate - as staff modified the rate slightly as of January 1, it was noticed that some applications had small residual load levels. The question was raised that we should consider having partial load control. Basin Electric staff came up with a concept, this isn't a new concept, but it is to establish at the time of the application, a residual load level. Load control for that established level below the established residual load level would hold for seven months with some exceptions included. After discussions with the Rate Subcommittee and staff, the concept was to allow only new applications to start at the start of the control months. Same process will work if you have 100% positive control technology. From a staff perspective and ultimately the Rate Subcommittee endorsed this concept going forward.

There was also a new concept from some of the members, mainly in MISO. In MISO you can get accreditation for load control. Staff is still looking at how to do this for the load. It might be appropriate to start a new concept and limit it to generation control situations, it could be expanded as we learn more about it. The concept would be Basin Electric staff would allow the new concept, if accreditation for a generator, the billing calculation would use the lesser of the 65% of the amount of the accreditation or the load level at the time of Basin Electric peak. It would need to be RTO compliant, it is allowed today in MISO, report for 12 months, and their planning year runs from June through May and would require registration in November prior to the start of the MISO planning year.

Basin Electric staff makes a recommendation that we allow for partial control of load under the Interruptible rate, would eliminate 100% positive control requirement; and staff would endorse the new concept of accrediting resources into the Interruptible Rate program for the 2018 Rate schedule.

Questions from Committee member answered by Basin Electric staff.

Tim Sullivan moved to recommend the MAC to recommend to Paul Sukut that Basin Electric staff revise the 2018 Interruptible Rate language to reflect the three concepts. Allow partial control of load, elimination of 100% positive control requirement; and the new concept to allow for RTO accreditation under the Interruptible Rate; seconded by Vic Simmons; Motion passed.

Tri-State contract amendment

Dave Raatz, senior vice president of Resource Planning spoke on the Tri-State Contract amendment discussions. For informational purposes, today there are several contracts with Tri-State. One is an all requirements arrangement and the other is a Fixed Contract Rate of Delivery. The proposed concept is to clean up the arrangements so that all of our All-Requirements obligation would be in the Eastern Interconnection, and the fixed contract rate of delivery portion would reside solely in the Western Interconnection. Discussion on previous modifications of the hourly delivery and how it is being proposed to be modified again. The agreement was also drafted to amend the responsibility of energy losses to Basin Electric point of delivery to make the contract comparable to balance of the membership contracts.

Questions from John Skurupey, CEO of McKenzie Electric asked why the change, to which Dave Raatz stated "to streamline the contract to better define eastern & western system delivery obligations and to make the Basin Electric delivery point to Tri-State on the western interconnection in line with other member delivery point contracts." Skurupey asked that since Tri-State was being moved more in line with other members, what is being done with the CROD rate - to which Dave Raatz responded "nothing." Skurupey stated "that's wrong."

RFP/Power Supply Update

Becky Kern, director of Utility Planning informed the committee members regarding a recent power supply request for proposal that had been released. Basin Electric received seventy-five proposals for purchase opportunities, three sale proposals. She then ran through the purchase proposals breaking them into categories of Wind, Solar, SPP, MISO, and Montana, the bulk of the proposals are for renewable resources. Four of the five proposals in MISO have been short-listed and staff will take a proposal to the Board in June for action on that. Moving into MT, five proposals were received for 400MW, several were for new resources to be built and two were for existing supply. At this time, we do not feel there is any value in the proposals provided. In SPP we are forecasted to have surplus for several years. Seven proposals were received for a total 1488 MW, three are new resources. One proposal in SPP was short-listed for strategic reasons that we will discuss with the Board. She then moved into Wind shortlist and commented Basin Electric staff is still investigating. There is one project, Prevailing Winds that has approached some of our members on possibly pushing this project through via PURPA. This project has made the short-listed, however if we do not go forward with them, they would likely still pursue the PURPA route and force us to take the 220 MW.

Question from committee members answered by Basin Electric staff.

Becky discussed solar prices and commented how last year's proposals were higher than this year's prices. Staff has short-listed five projects because staff did feel there may be value in evaluating them more. At this time, Basin Electric staff has not made a decision if they will be going forward with solar but will continue to evaluate this. An LMP analysis will take place within the next couple of months for both solar and wind to see how the addition of additional renewables affect the rest of the Basin Electric system.

Question from committee members answered by Basin Electric staff.

PURPA process

Becky Kern, director of Utility Planning apprised the committee as to the status of the Assignment Waiver. With only two sitting FERC commissioners, Basin Electric is sitting in limbo waiting for responses. Staff has also started to work on a market waiver which would move the requirement to purchase QFs from 80 MW to 20 MW for QFs that reside in a RTO. Right now the filing is on hold because of the lack of a quorum.

Government Relations

Dale Niezwaag, vice president of Government Relations gave the committee members a quick update on both the Federal and State Issues.

Federal Issues - Dale touched on the CPP situation and plans on the 111(d) case and 111(b) case, which was removed from the public calendar; all work on both existing and new cases have been suspended until after May 15th.

Dale then discussed a meeting with the EPA Administrator that was attended by CEO Paul Sukut and several cooperative members and highlighted some noteworthy comments mentioned by the Administrator. The EPA feels the rule needs to be withdrawn and take a modest approach to a new rule that is within the CAA framework, the NSR needs to be fixed to allow utilities to make plant improvements. On the need for utility certainty issues, EPA asked for some direction from Basin Electric staff, lastly he would like the EPA to make decisions on data and not models.

Other issues, the president has issued orders that require agencies to toss out two rules for every new one; assess and consider both the benefits and costs of regulatory actions and issue only when the benefits justify the costs.

Questions from Committee Members answered by Basin Electric staff.

State Issues - Two bills were worked on during the recent session. One was the Siting Act separation and a DGC tax bill with both passing. The DGC legislation changed the Coal Conversion taxes to allow future tax costs to be lower than current projections. A new Dept. of Environmental Quality which will be phased in the next two years. Advanced Energy Technology funding passed this last session.

It was noted there were a large amount of anti-wind bills in ND and their modifications, Dale then addressed Bills brought forward to the legislatures from surrounding states, South Dakota, Minnesota, Iowa, Montana, and Wyoming.

Questions from Committee Members answered by Basin Electric staff.

Manager's Advisory Committee Meeting
May 4, 2017
SUMMARY

Rates-MAC Present	**Others Present**
Tom Boyko – East River Electric	Tary Hanson - Tongue River
Dave Eide - Codington Clark	Chris Baumgartner - KEM
Curt Dieren – L&O Power	Mick Kossan - CPEC
Scott Sweeney - Fergus Electric	Kory Johnson - Agralite
Tom Meland – Central Power	Ted Smith - Sioux Valley Energy
Paul Fitterer - Capital Electric	Wayne Martian - North Central Electric
Matt Washburn - NIPCO	Pat Carruth - MN Valley Coop Light&Power
Ryan Hentges - MNVEC	Bruce Kraemer - Crow Wing Power
Brad Nebergall – Tri-State	Bill McKim - Midland Power
Paul Erickson - Sangre de Cristo Electric	Carman Hosack - Nishnabotna Valley REC
Doug Hardy – Central Montana	Steve VerMulm - NIPCO
Tim Stephens - Park Electric	Bob Sandberg - Wright-Hennepin
Vic Simmons – Rushmore	Jeff Ten Napel - Osceola Electric Coop
John Lee - Butte Electric	Lyle Korver - North West REC
Claire Vigesaa – Upper Missouri	Jeff Bean - NIPCO
Jerry King - Burke Divide	Kent Amundson - Woodbury REC
Tim Sullivan - Wright-Hennepin	Scott Reimer - Federated
Mike Easley – PRECorp	Jason Brothen - Mid-Yellowstone Electric
Ken Kuyper – Corn Belt	Jeremy Mahowald - Upper MO
Rick Olesen - Iowa Lakes Electric	Jack Hamblin - Southeast Electric
	Martin Dahl - McLean Electric
Tim McCarthy - Sioux Valley Energy	Bruce Garber - Dakota Valley
	Walker Witt - Black Hills Electric
	Dick Johnson - West River Electric
	Ross Loomans - Lyon REC
	Don Franklund - IEA
	Colle Nash - Grand Electric
	Kevin Mikkelsen - Rosebud Electric Coop
	John Skurupey - McKenzie Electric

Basin Electric	
Paul Sukut	Tom Christensen
Dave Raatz	Ken Rutter
Becky Kern	Garrett Schilling
Lisa Carney	Dale Niezwaag
Dave Sauer	Steve Johnson
Sue Sorensen	Jean Schafer

Mountain West RTO Update

Tom Christensen, director of Transmission Rates reviewed the background and history of MWTG and the participating areas that are covered under this group. Running through a footprint of each group and statistics of annual transmission revenue requirements, 12-month coincident peak, and annual energy for the transmission owner. The four DC ties are Rapid City; Sidney, Stegall; and Lamar.

Some of the advantages of an RTO Participation would be a single OASIS, de-pancaking of transmission charges, all load is network load, single determination of available transfer capacity/available flow gate capacity. At this time we are trying to further evaluate the benefits, particularly with the DC ties, but there is significant work to be done. There is no structured governance under MWTG, which means a strong cooperative effort is needed; a non-binding Memorandum of Understanding was executed. Outreach with various forums continues with other groups.

Tom commented that in January of this year, Mountain West announced its plans to narrow discussions to SPP. The Brattle Group's market benefits study was discussed and showed benefits, although the Brattle Group study did not model the potential market benefits of the DC ties. An additional study with the Glarus Group is being performed to give guidance on the potential market benefits of the DC ties and is expected to have results in May of 2017. Moving onto the next steps, discussions continue on the various issues associated with potential RTO membership in SPP.

Question from committee member answered by Basin Electric staff.

Marketing Updates

Ken Rutter, senior vice president of Marketing began his presentation off with Market Conditions (Commodity price terms) and the gas settlement prices since January 2013. He pointed out how weather has played a driving factor in the range gas prices are bound within. There hasn't been any significant factors that are uplifting the supply demand picture one way or the other, right now all indications show that we are continuing on the tread that we are range bound on the gas prices. The positive side of all this is if you look at 2017 versus 2016, conditions are a little better and we are seeing an improvement even with the storage hang. Historically in terms of pricing the weather plays a huge role.

Switching to SPP, Ken advised the group one of the biggest drivers that's influencing our dispatch in the market is the wind to load penetration levels in SPP. In March an overall wind record was set, this volatility is what is causing us to have a dispatch patterns in terms of coal back downs in the evenings and gas generation dispatch. Some of the reliability dispatch from SPP for the peakers in the Bakken starting to drop but that has been replaced by economic dispatch for some of the assets related to the wind.

Question from committee members answered by Basin Electric staff.

Recently Basin Electric has started focusing on Generator Revenue within the cooperative. We are trying to provide the tools to the operation site to aid in bringing more value and be more productivity. In the short-term, we are challenging the plants with what is the market margin/MWh, for the long-term they need to look at this and make appropriate changes. We are looking at the assets and how they are running in the market.

One of the things we have received feedback on is our request for the Urea marketing going forward. We are doing a deeper dive to get potential help with this for the future. A lot of attention has been paid on hedging and the DGC plan. This year we have put on some additional hedging and haven't tracked anything significant for 2019. We have put some future margins on the tar oil for 2018-2022. We are on target to meet those levels. The cumulative hedging has provided value, but in the end we would like higher prices for the unhedged prices.

Questions from committee member answered by Basin Electric staff.

July Manager's Conference Agenda

Dave Raatz, senior vice president of Resource Planning asked the committee for discussion and business topics for July's Managers conference. He posed to the group if there is an interest of a Member Manager Panel. Would you like a G&T panel and Distribution panel; just looking to see what the committee would like to focus on for the upcoming conference.

- Strategic plan (3-5 yrs)
- Rates and rate discussions (more topics on where you're looking for committee member's input)
- What is the long-term perspective of putting steel in the ground versus owning, or own versus PPA?
- Long-term view on how the G&T delivers the resources?
- What are the early assessments of SPP, what does it look like going forward.
- Member panels (new Sr VP Member Service should be the Moderator)
- High Wind scenarios in the financial forecast.
- Need to evaluate how much time is spent on topics and what are the priorities?
- Breakdown on growth pattern.
- New forecast for DGC and DCC.
- What happens if production tax credit goes away? What does that do to the economics of wind? Do we want that or don't we want it?

Next Meeting

- July 19-20, Deadwood, SD