



Codington-Clark Electric Cooperative, Inc.

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September 8, 2003

Mr. Robert Harris, Regional Manager
Upper Great Plains Region
Western Area Power Administration
2900 Fourth Avenue North
Billings, Montana 59101-1266

Dear Mr. Harris:

Please accept this letter as Codington-Clark Electric Cooperative's comments for the record on the proposed rate increase for Pick Sloan Missouri Basin Program Firm Power Customers published in the Federal Register on June 13, 2003.

Codington-Clark is a distribution electric cooperative that provides service to 2,200 member-owners in northeastern South Dakota. We purchase wholesale power from East River Electric Power Cooperative, Madison, South Dakota.

With respect to the proposed rate increase, Codington-Clark offers the following comments:

1. *Implementation:* We strongly urge Western to implement the proposed rate adjustment using the 'two step' option. Based on the information described by Western in its June 13, 2003, Federal Register Notice, the 'two step' option generates revenue adequate to meet the federal obligations as required by law. In view of the substantial increase being proposed, we believe a phased approach provides some moderation in the first year impacts of the increase and should be the preferred implementing method.
2. *Tiered-60% Load Factor:* We are deeply concerned by the 114 percent proposed increase to the portion of monthly energy over 60 percent load factor. We object to the substantial increase as proposed and believe it should be re-examined. We believe full attention should be given to both the philosophy of singling out this cost for special rate treatment and, if it is continued, the method by which it is structured should be considered before any future rate adjustment is offered.

Because of the substantial level of this increase and the impact it has on our wholesale power rates, we encourage Western to carefully examine all aspects of the proposal and seek ways to moderate its impacts.

Sincerely,

Gene C. Ward
General Manager