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March 14, 2008

Mr. Bob Harris  
Regional Manager – Upper Great Plains Region  
Western Area Power Administration  
P. O. Box 35800  
Billings, Mt. 59107-5800

Dear Mr. Harris:

Central Montana would like to offer our comments to the Western Area Power Administration's (WAPA) proposal to consolidate the Desert Southwest Region, Rocky Mountain Region and the Upper Great Plains – West Region into one Balancing Authority as presented at the Customer Meetings held in Phoenix, Arizona on February 12, 2008 and Loveland, Colorado on February 14, 2008.

Central Montana Electric Power Cooperative agrees and applauds WAPA on its strategic planning process. We agree that this plan may save the Customers money in the future. We understand the increasing workloads that are caused by increasing regulatory requirements required by FERC/NERC. Central Montana is concerned that consolidating the Balancing Authority may have a negative cost affect on us simply to address the regulatory reporting staffing issue. WAPA has indicated in its proposal that the regional offices would continue to operate as they currently operate today with the exception of a unified reporting purpose and unified ancillary services.

Central Montana understands from WAPA's proposal that there will be additional regulatory capabilities achieved by consolidating the Desert Southwest (DSW) and the Rocky Mountain (RM) Regions. We do not believe that WAPA has presented enough information to the Customers to believe that the Upper Great Plains-West (UPG-W) would gain the same benefits. We believe from the presentations that there would be additional costs borne by UGP-W associated with consolidating UPG-W into the DSW and RM balancing authority. We believe that the ancillary service cost associated with the UPG-W will most likely increase from our current rates.

We believe that considering the very limited projected savings (1/2 FTE), consolidation of the UPG-W region risks outweigh any potential benefits. Since this is such a small portion of the WAPA system consolidation and as we see negative impacts on the region,

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we would ask that at this time UPG-W be excluded from the proposed Balancing Authority consolidation.

Central Montana looks forward to working with WAPA to achieve the most benefits and lessen the negative impacts as we proceed through this process.

Sincerely,

A handwritten signature in blue ink that reads "Thomas R. Huntley". The signature is written in a cursive style with a prominent flourish at the end of the last name.

Thomas R. Huntley  
General Manager/CEO



**CENTRAL MONTANA**  
**ELECTRIC POWER COOPERATIVE**  
 501 Bay Drive, Great Falls, Montana 59404



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