



PLATTE RIVER
POWER AUTHORITY

Estes Park • Fort Collins • Longmont • Loveland

September 7, 2007

Ron Horstman
Energy Services Specialist
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

Dear Mr. Horstman:

In response to the Notice of Proposed Rulemaking as published in the Federal Register on August 21, 2007, the Platte River Power Authority (Platte River) expresses its support for the suggested change to 10 C.F.R. § 905.11. Platte River agrees, for the reasons stated by Western, that the suggested clarification to the approval process is appropriate.

Platte River has submitted three Integrated Resource Plans (IRPs) to Western since enactment of the Energy Policy Act of 1992. The standard format was used for each IRP; this format proved sensible and workable for Platte River. Each of the IRP filings included an extensive process involving the public and our Member Municipalities. During each iteration of the Platte River IRP, staff members from Platte River met with Member Municipality staff members to discuss the traditional resource, renewable resource and demand side management options being considered. On multiple occasions Platte River staff members made presentations before the city councils and citizen boards in the Member Municipalities. Customer surveys were also performed, a citizen participation committee was formed and draft copies of the IRP were sent to interested parties. Formal approval of each IRP was made by the Board of Directors at a public meeting. To the extent that the Member Municipalities have concerns about the IRP, they have every opportunity to bring these issues to the attention of Platte River either through these activities or through their representation on the Platte River Board of Directors. During none of the past IRP approval processes has there been any attempt to seek approval from the individual Member Municipalities, nor has any Member Municipality sought such a voice in the approval process.

To understand why it is unnecessary for each Member Municipality to separately approve the IRP it is important to understand the purpose for which Platte River was created and the relationship between Platte River and its Municipal Members.

Platte River is a political subdivision of the State of Colorado. Platte River was created to provide wholesale power and transmission to the retail electric systems operated

by Estes Park, Fort Collins, Longmont and Loveland, Colorado. To accomplish this end, each of the Member Municipalities assigned their power purchase agreements with the Western Area Power Administration to Platte River along with operational authority over their transmission systems. The Member Municipalities further pledged not to develop any local generation resources beyond the small hydropower units in existence in 1974. In exchange, Platte River undertook a commitment to provide all of the electric energy needed by the Member Municipalities, delivered to the municipal substations.

An integral part of Platte River's responsibility as a generation and transmission provider is planning and developing the resources necessary to meet Member Municipality needs. This responsibility is clearly set forth in a number of legal sources: In Colorado statute, C.R.S. § 29-1-204 (3)(a), in the Organic Contract executed by the Member Municipalities creating Platte River, and in the "all requirements" power supply contracts between Platte River and each of the Member Municipalities. Platte River must plan to provide for the needs of all of the Member Municipalities on a "system" basis, and the IRP process is a useful planning tool to meet this responsibility. All policy decisions, including rate setting, financing, budgeting, environmental policy, and integrated resource planning are made by the Platte River Board. The ability of one member to exercise a veto power—through the withholding of an approval—over a statutory and contractual scheme that contemplates coordinated planning for the four Member Municipalities as an integrated system, is inconsistent with Platte River's fundamental decision making process and defeats the contemplated purpose of Platte River.

Moreover, approval of the IRP by the individual Member Municipalities is unnecessary: the ability of the Member Municipalities to influence the contents of the IRP is fully protected by their representation on the Platte River Board of Directors. As a power authority under Colorado law, the structure and responsibilities of Platte River are set forth in both statute and the Organic Contract executed by the Platte River Member Municipalities. By virtue of statute, Platte River is an entity discrete from the Member Municipalities, which have no control over the actions of Platte River except through their representation on the Board of Directors. As previously stated, the Board of Directors is composed of two representatives from each of the Member Municipalities. Typically the municipal representatives to the Board are the mayor and the electric distribution utility directors. Occasionally city or town managers serve rather than the utility directors. The Board members are highly visible and influential members of their communities well positioned to bring any issues involving the IRP to the fore during Board meetings. Both C.R.S. § 29-1-204 and the Organic Contract vest all legislative authority in the Platte River Board of Directors, and as such the Board of Directors is the body that approves and adopts the Platte River IRP through resolution. Under Colorado law, the meetings of the Platte River Board of Directors are public meetings. All this provides a process for IRP adoption that is highly visible and open to public and Member Municipality involvement. The imposition of a round of approvals from the

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Member Municipalities is unnecessary and interposes a level of control by the Member Municipalities in the decisional processes of Platte River that is beyond the contemplation of Colorado statutes.

Western's proposed revisions/clarifications have been discussed with Platte River's Board of Directors and the Board supports the changes.

Platte River expresses no opinions on the other changes suggested by Western.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Moeck', with a long horizontal flourish extending to the right.

Brian H. Moeck
General Manager