



NORTHWEST IOWA POWER COOPERATIVE

31002 County Road C38
PO Box 240
Le Mars, Iowa 51031-0240

712-546-4141
FAX 712-546-8795
www.nipco.coop

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Western Area Power Administration
Upper Great Plains Region
2900 4th Ave. N, Suite 600
Billings, MT 59101-1266
Email: AOS@wapa.gov

RE: Document Number: 2013-26079 – Comments to Western Area Power Administration's (Western) recommendation to pursue RTO membership with the Southwest Power Pool.

Northwest Iowa Power Cooperative (NIPCO) submits this letter in response to Western's Federal Register Notice dated Nov. 1, 2013 concerning the agency's recommendation to pursue regional transmission organization (RTO) membership with the Southwest Power Pool (SPP).

NIPCO, a Generation and Transmission Cooperative, is a Class A member of Basin Electric and is the wholesale power supplier to 7 Member Electric Cooperatives who in turn supply electric power to approximately 32,000 retail consumers in western Iowa. NIPCO's 69kV transmission system is directly interconnected with the Integrated System and will thus be impacted by the proposed RTO membership with the Southwest Power Pool.

As a member of Basin Electric, who is an Integrated System partner with Western Area Power Administration and Heartland Consumers Power District, NIPCO fully supports Western's recommendation to pursue RTO membership with the Southwest Power Pool.

Our support reflects months of focused evaluation organized and facilitated through Basin Electric and its other member cooperatives regarding RTO membership. The detailed evaluation was done in conjunction with the Integrated System parties. Through that evaluation, we recognize and concur with the concerns Western has identified regarding market constraints in delivering reliable power to its firm customers including NIPCO.

Membership in SPP was among three options we collectively considered. The other options were standing alone outside our neighboring RTOs or membership in the Midcontinent Independent Transmission System Operator. Standing alone posed challenges for us all when we needed access to markets in times of surplus or deficit power supplies. We determined that we cannot remain an island within our nation's energy infrastructure. These limitations directed our focus to RTO membership.

With Basin Electric, our sister cooperatives, Western and Heartland, we spent a considerable amount of time evaluating the pros and cons of SPP or MISO.

Ultimately, NIPCO needed to balance the needs of our members – from cost, transmission, market, philosophical and geographical standpoints, and match those with the RTO that best meets all of those needs. SPP satisfied those criteria. On that note, NIPCO concurs with Western's overall assessment and recommendation to consider membership in SPP based on the overall economics of all factors considered.

Western has demonstrated expert capability as an open-access transmission system operator and administrator and we believe their recommendation to pursue SPP membership is necessary and prudent to performing its core mission.

We believe Western's Multi-Criteria Decision Analysis in the Alternative Operation Study (AOS) showed another comprehensive, inclusive and well-considered conclusion to pursue negotiations with SPP for membership.

It is NIPCO's position, that given the many months of detailed evaluation taking into account all of the intricacies of our shared Integrated System and the needs of all Basin Electric's members, as well as Western's AOS assessment, Western should move forward with discussions and negotiations with SPP to become a transmission-owning member.

NIPCO encourages Western to consider the impact to all of the Integrated System members when making their final decision, and to bring the public process to a conclusion in a timely manner to ensure final negotiations and agreements can be executed by May 2014 and membership integration can be complete by October 2015.

Sincerely,



Kent D. Pauling
Northwest Iowa Power Cooperative
Executive Vice President & General Manager
31002 County Road C38
P.O. Box 240
Le Mars, IA 51031