



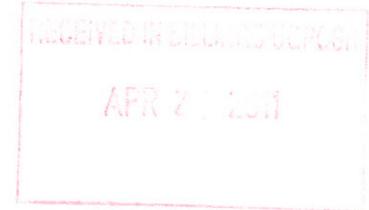
A Touchstone Energy® Cooperative 

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April 27, 2011



Mr. Robert Harris, Regional Manager
Upper Great Plains
Western Area Power Administration
2900 4th Avenue North
Billings, MT 59109

Dear Mr. Harris:

Please accept this letter as comments from East River Electric Power Cooperative (East River) concerning the Western Area Power Administration's March 4, 2011, Federal Register Notice described as the Pick Sloan Missouri Basin Program Eastern Division 2021 Power Marketing Initiative Proposal.

East River is a wholesale rural electric cooperative power supplier to 24 rural electric cooperatives and one municipal electric system in eastern South Dakota and western Minnesota. On behalf of 21 of its member owners, East River holds a long-term bulk power supply contract for federal hydropower with Western Area Power Administration for resources which are part of the Pick Sloan Missouri Basin Program Eastern Division. East River relies on this long-term bulk power supply contract with Western to furnish power supply to 21 of its 25 member owners. These 20 retail cooperatives and 1 municipal electric system in turn serve about 92,000 retail accounts which include residential, commercial, industrial, and agricultural consumers.

East River wishes to offer the following comments concerning the March 4 Federal Register Notice:

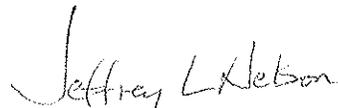
1. **Critical Resource.** The federal hydropower furnished by Western to East River is a critical part of the bulk power supply East River relies upon to serve its member systems. The availability of affordable and reliable hydropower as a part of East River's power supply resources represents an essential portion of the economic underpinnings of the rural areas served by East River members. The hydropower furnished by Western represents a significant share of East River's total power supply resource and is especially useful as a renewable carbon-free resource. East River along with other cooperatives in the region has greatly expanded renewable resources through the development of substantial

additional wind generation along with waste heat recovery and bio-mass based renewables. In total, these renewable resources, combined with federal hydropower, represent about one third of the total bulk power supply resources East River provides to its members.

2. **Timeliness.** East River urges Western to move forward to timely completion of this process as a means to provide certainty to customers as to the availability of this critical resource. Doing so will contribute to future power supply stability and resource planning for East River and its members.
3. **Support for Proposal.** East River supports Western's March 4 Federal Register Notice for the Power Marketing Initiative 2021 Proposal. We believe the proposal represents a thoughtful and practical compromise for Western's customers and Western in terms of future management and marketing of this resource. While we support the proposal, East River requests Western consider revising the proposed thirty-year contract term to forty years. East River believes that future power supply planning and regional stability of this renewable resource being committed for a term of forty years would offer greater power supply stability for Western's customers while preserving Western's flexibility to meet other customer needs through the defined withdrawal provisions of the proposal.

In summary, East River supports Western's 2021 Power Marketing Initiative Proposal described in the March 4 Federal Register Notice. We emphasize the essential and critical nature that this power supply resource represents to non-profit utilities in the Upper Great Plains, including East River and its members, and subsequently urge Western to move deliberately forward to finalize this process.

Sincerely,


Jeffrey L. Nelson
General Manager

JLN/st