

From: Katherine Anagnost <kanagnost@minnkota.com>
To: <ugp2004rateadj@wapa.gov>
Date: Thu, Sep 11, 2003 8:59 AM
Subject: 2 Step Rate Increase

10 September 2003

via Electronic Mail (ugprateadj@wapa.gov) and U.S. Mail

Robert Harris
Regional Manager
Upper Great Plans Region
Western Area Power Administration
2900- 4th Avenue North
Billings MT 59101-1266

RE: New Pick-Sloan Rates

Dear Mr. Harris:

This letter is being sent to inform you that Minnkota Power Cooperative, Inc. (Minnkota) supports a two-step approach to the anticipated 15.4% increase in the rate for the Eastern Division of the Pick-Sloan Missouri Basin Program. This could be done with a 12.3% increase in January 2004, and a 3.3% increase in October 2004.

We believe that the two-step approach would save Minnkota and other firm-power customers a significant amount of money, yet meet Western's revenue needs.

Thank you for your consideration.

Sincerely,

MINNKOTA POWER COOPERATIVE, INC.

/s/

David Sogard, Vice President
Legal & Governmental Affairs

DS:kka

CC: David B Sogard <dsogard@minnkota.com>