

From: "Wayne Martian" <w.martian@nceci.com>
To: <UGP2021@wapa.gov>
Date: 5/19/2011 9:03 AM
Subject: 2021 Power Marketing Initiative

Mr. Robert J. Harris

Regional Manager

Upper Great Plains Region

Western Area Power Administration

2900 4th Avenue North

Billings, Montana 59101-1266

Dear Mr. Harris:

North Central Electric Cooperative appreciates the opportunity to comment on the Western Area Power Administration's proposed 2021 Power Marketing Initiative ("PMI") for the Pick-Sloan Missouri Basin Program ("Pick-Sloan"), as published in the Federal Register (Vol. 76, No. 43, Friday, March 4, 2011, pp. 12104-07).

The Pick-Sloan Missouri Basin Program hydropower marketed by the Western Area Power Administration ("Western"), is an important resource to the members of North Central Electric cooperative. Western's Pick-Sloan customers have demonstrated the value of Pick-Sloan hydropower and their commitment by stepping in with funding to assure the reliability of generation and transmission in the region.

North Central Electric Cooperative commends and endorses Western's proposed 2021 PMI. The PMI encompasses the important issues attendant with new firm power contracts, providing customers with certainty and Western with the tools needed to administer their marketing responsibilities.

North Central Electric Cooperative supports the proposed contract term of 30 years, but urges adoption of a 40 year contract term. An additional ten years on the contract term would further buttress long term certainty for its customers. Contract provisions providing for withdrawal of allocations due to changed hydrology/operations, completion of authorized Pick-Sloan irrigation projects, and adjustment of load factors -as well as provisions to provide Pick-Sloan hydropower to new eligible entities -- gives Western the tools needed to address future conditions. It would also offer assurances that customers funding needed capital investment (not currently

forthcoming from the federal government) would receive the benefits of that commitment.

North Central Electric Cooperative agrees and supports Western's structure and timing of new Resource Pools in the 2021 PMI. Administration of the proposed Resource Pool will ensure fairness among new entities seeking allocations.

North Central Electric Cooperative also supports the PMI's proposal to maintain the current marketing area. Since Pick-Sloan hydropower is a finite and defined resource, expansion of the marketing area is impracticable. Furthermore, an expansion would take Pick-Sloan power statutorily directed to customers within the river basin of this multi-purpose project.

The withdrawal provisions in the 2021 PMI fairly reflect the variety of forces that could impact Western's administration of Pick-Sloan and give Western

the ability to respond to changed circumstances, be they due to hydrology, completion of authorized projects, or new legislative mandates.

The 2021 PMI also has provisions to deal with availability of future resources. Mid-West supports Western's procedures for disposition of newly

available resources under the provisions of the Energy Planning and Management Program.

North Central Electric Cooperative looks forward to the completion of the 2021 PMI.

Sincerely,

Wayne Martian, General Manager

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