



P.O. Box 248  
203 West Center Street  
Madison, South Dakota  
57042-0248

April 27, 2011

Mr. Robert Harris  
Regional Manager  
Upper Great Plains Region  
Western Area Power Administration  
2900 4<sup>th</sup> Avenue North  
Billings, MT 59101-1266

Dear Mr. Harris:

Heartland Consumers Power Districts (Heartland) submits these comments on the Western Area Power Administration (Western) proposed 2021 Power Marketing Initiative (PMI) for the Pick-Sloan Missouri Basin Program (Pick-Sloan) published in the Federal Register (volume 76, No. 43, Friday March 4, 2011, pp. 12104-07).

Heartland is a public power utility created in 1969 by the State of South Dakota. Heartland is based in Madison, South Dakota, and provides low cost, reliable power as well as energy services and community development programs to communities and state agencies in South Dakota, Minnesota, and Iowa. Nearly all of our customers receive federal power from the Pick-Sloan hydropower system marketed by Western.

The Pick-Sloan hydropower is our least cost, most reliable renewable resource. Our commitment includes joining with other Pick-Sloan customers to provide well over \$350 million in upfront funding to preserve and enhance the generation and transmission of this renewable resource throughout the Upper Great Plains.

Heartland supports the proposed 2021 PMI. This PMI would provide customers with the contractual certainty needed for our long range power supply plans. The 2021 PMI will also provide Western with the ability to prudently administer its marketing responsibilities.

The proposed contract term of 30 years meets our need for long term certainty. Contract terms governing withdrawal of allocations due to changing hydrology and/or operations, legislative mandates, and other appropriate factors provides Western the flexibility needed to meet future conditions. Equally important is the assurance that customers providing upfront funding for the Pick-Sloan hydropower system will receive the benefits from those contributions.

The 2021 PMI proposes that the current marketing area remain unchanged. This properly recognizes that Pick-Sloan hydropower is a finite resource. Heartland also supports the proposed structure and timing of new Resource Pools in the 2021 PMI, as well as the disposition of any newly available resources under current Western procedures.

Completion of the 2021 PMI will provide customers, Western, and federal taxpayers with the certainty of an ongoing successful marketing of this important renewable resource.

Sincerely,

Mike McDowell  
General Manager/CEO