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Mr. Robert J. Harris
Regional Manager
Upper Great Plains Region
Western Area Power Administration
2900 4th Avenue North
Billings, Montana 59101-1266

April 26, 2011

Dear Mr. Harris:

The Mid-West Electric Consumers Association (“Mid-West”) 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 Mid-West Electric Consumers Association was founded in 1958 as the regional coalition of over 300 consumer-owned utilities (rural electric cooperatives, public power districts, and municipal electric utilities) that purchase hydropower generated at federal multi-purpose projects in the Missouri River basin under the Pick-Sloan Missouri Basin Program.

The Pick-Sloan Missouri Basin Program hydropower marketed by the Western Area Power Administration (“Western”) is an important resource to the firm power customers in the marketing area (rural electric cooperatives, municipal electric utilities, Native American tribes, states, and federal facilities). 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.

Mid-West 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.

Mid-West 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.

Mid-West 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.

Mid-West 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.

Mid-West looks forward to the completion of the 2021 PMI.

Sincerely,



Thomas P. Graves
Executive Director