



SIoux VALLEY ENERGY

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December 12, 2013

Western Area Power Administration
Upper Great Plains Region
2900 4th Avenue North, Suite 600
Billings, MT 59101-1266

EMAIL: AOS@wapa.gov

RE: Comments of Western Federal Register Notice
Southwest Power Pool (SPP) Membership

Sioux Valley-Southwestern Electric Cooperative, Inc. (Sioux Valley Energy) submits this letter in response to Western's November 1, 2013, Federal Register Notice (FRN) concerning its consideration of becoming a member of the Southwest Power Pool (SPP).

Sioux Valley Energy is a Class "A" member of East River Electric Power Cooperative, Inc. (East River) and L&O Power Cooperative. We operate under all requirements contracts to secure wholesale power supply from these entities in South Dakota and Minnesota respectively. That purchased power is delivered to our member-owner system over the transmission systems owned and operated by these organizations. Both hold wholesale power contracts for federal hydro power supply and for transmission service with Western. These contracts are vital in our efforts to secure affordable and reliable power for our membership.

Upon consideration of the concerns identified by Western in regards to increasing constraints, rising costs, and access to the market faced in their effort to deliver a reliable power supply to their firm power customers such as East River and L&O, and after discussion amongst our local Board of Directors, Sioux Valley Energy submits this letter as evidence of our support for Western's pursuit of membership with SPP.

We feel Western's research of the alternatives of membership with SPP, moving to the MidWest Independent Transmission System Operator (MISO), or remaining independent and continuing to operate as it has, was prudent and properly weighed the outcomes. Given that research, we feel Western has established a solid business case to pursue the recommendation of SPP membership.

In closing, we urge Western to move forward to finalize negotiations with SPP and all other relevant parties. We urge Western to do so in accordance with the proposed timeline and complete the final membership and participation agreement by no later than April, 2014.

Sincerely,

Tim McCarthy, General Manager/CEO
Sioux Valley Energy

A Touchstone Energy® Cooperative

