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# Southeastern Electric Cooperative, Inc.

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A Touchstone Energy® Cooperative 

December 9, 2013

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

Southeastern Electric Cooperative, Inc. (Southeastern) respectfully 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 (SSP).

Southeastern is an electric cooperative that serves nearly 16,000 members throughout a six (6) county service area from the Iowa border/southern edge of Sioux Falls, SD growth area (Harrisburg, Lennox & Tea, SD) on the eastern side of our service area to approximately 100 miles west of mainly rural service area. We were founded in 2000 through a consolidation of Lincoln Union and Turner Hutchinson Electric Cooperatives that have their origins dating back to as early as 1938 in southeastern South Dakota. In 2006 McCook Electric Cooperative, Inc., was merged into Southeastern expanding our area to all of McCook County and parts of several surrounding counties. Our power supply system consists of East River Electric Power Cooperative, Inc., out of Madison, SD who blends our Western Area Power Administration hydropower and our coal, natural gas, wind, nuclear and waste heat generation resources of Basin Electric Power Cooperative, Inc. out of Bismarck, North Dakota.

Through our power supply cooperatives listed above (East River and Basin), we have long supported Western (and its predecessor the U.S. Bureau of Reclamation) as it has operated and administered the original Joint Transmission System/Upper Great Plains (JTS) and its successor the Integrated System (IS). Western has established an expert capability as an open-access transmission system operator and administrator. In addition, Western has demonstrated strong and capable performance of its core mission prescribed by federal law of marketing and delivering federal power from the Pick Sloan Missouri Basin project to preference customers including East River and therefore Southeastern. We believe the recommendation described by

Western's November 1, 2013, FRN to pursue SPP membership is a necessary and prudent action to continue performing its core mission.

Southeastern is aware of and concurs with Western's assessment of the growing risks to its ability to perform its core mission responsibilities. Fundamental issues, such as reserve sharing, demonstrated market access limitations represented by transmission constraints and the decreased ability to access electric markets for needed power supply to supplement its contract obligations to customers or sell surplus resources all contribute to the validity of Western's assessment of considering membership with SPP.

We believe Western's Alternative Operation Study work (AOS) evaluating membership with the MidWest Independent Transmission System Operator (MISO), or with SPP was very comprehensive. The AOS also included the option of remaining independent and continuing operation within the JTS. All aspects of the AOS were comprehensive in considering its regional preference customers, carefully constructed and performed, and definitive in reaching the conclusion to pursue negotiations with SPP for membership. Based on the information that Southeastern has seen, the assessment of Western's AOS study work concludes that the overall economic, operating, risk evaluation and potential membership terms clearly favor affiliation with SPP.

Southeastern supports Western's initiative to undertake its recommended course of action in a timely manner. We also support Western's commitment to preserve its federal status and defined core mission to serve preference customers on cost-based principles as part of this initiative. We believe Section 1232 of the 2005 Energy Policy Act defines the unique features which apply to Western and should be reflected in the membership terms finalized by Western with SPP.

We urge Western to immediately move forward to finalize negotiations with SPP and other involved parties within the timeline of Western's proposed schedule which will lead to final membership/participation agreements being completed by no later than April of 2014

Sincerely yours,



Bradley J. Schardin,  
General Manager