



SIoux VALLEY ENERGY

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August 16, 2007

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AUG 20 2007

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

Dear Mr. Harris:

Sioux Valley Energy submits the following comments to Western Area Power Administration in response to the Federal Register Notice dated June 25, 2007 relative to the proposed Resource Pools for the Eastern Division Pick-Sloan project.

Sioux Valley Energy is sensitive to the need for a Resource Pool and has considered the issue of "appropriate purposes" of the Resource Pool. Sioux Valley Energy encourages Western to make Resource Pool allocations in conformance with existing law and interpretations of laws and regulations.

We support the following comments in regards to "appropriate purposes" for Resource Pool allocations.

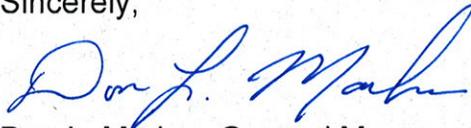
1. Western should implement the next Resource Pool following the same policies and procedures of prior Resource Pools.
2. In implementing the new Resource Pool, Western should focus on allocations to preference eligible utilities in amounts sufficient to be meaningful to new firm power customers. Providing small allocations will not provide sufficient benefit to new customers and will result in a hardship on existing firm power customers whose allocations have been reduced by Resource Pool withdrawals;
3. In making allocations from the Resource Pool, Western must act within existing laws and regulations. In no event should Western use "appropriate purposes" to attempt to expand existing laws and policy on eligibility requirements for receiving firm power allocations of federal power.
4. Terms and conditions of contracts for new customers should be identical to terms and conditions of existing firm power customers. Reductions should apply to all firm power contract holders if withdrawals are made in the future.

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Sioux Valley Energy appreciates the opportunity to comment on this issue and is pleased with Western's willingness to address issues related to the Resource Pool. We value the professional working relationship that Western has with its customers and urge that ongoing efforts to maintain and strengthen that relationship be continued.

Sincerely,



Don L. Marker, General Manager/CEO
Sioux Valley Energy