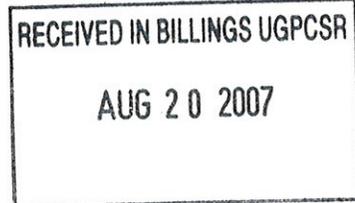




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August 16, 2007

Bob Harris, Regional Manager
Upper Great Plains Region
Western Area Power Administration
2900 4th Ave N
Billings, MT. 59101-1266



Dear Bob,

I am offering these comments as a result of your federal register notice of a proposed third Resource Pool for the Eastern Division of Pick-Sloan.

While nobody likes to give up 1% of their hydro allocation, if it is going to happen, WAPA should implement it with conditions as follows:

- Western should implement the next Resource Pool following the same policies and procedures of prior Resource Pools.
- In implementing the next 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 be a hardship on existing firm power customers whose allocations have been reduced by Resource Pool withdrawals.
- 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.
- Terms and conditions of contracts for new customers should be identical for the terms and conditions that we have as existing firm power customers. If additional withdrawals are made in the future, reductions should apply to all firm power contract holders.

Thank you Bob for the opportunity to make this input regarding your Federal Register notice.

Very truly yours,

VERENDRYE ELECTRIC COOPERATIVE, INC.

A handwritten signature in blue ink that reads "Bruce R Carlson".

Bruce R Carlson
General Manager