

**August 10, 2012**

**To: Western Area Power Administration**

**From: Bon Homme Yankton Electric Association, Inc. – Tabor, SD**

**RE: Comments for “Defining the Future” - DOE Sec. Chu Memo**

**Utility – Bon Homme Yankton Electric Association** is a member owned distribution system with the current membership of 2800. We currently have 3,700 services with about 3,550 of the services being used while the other 150 services are Idle or no longer in use. Currently we maintain over 1311 miles of distribution line with 884 miles of Overhead lines and 427 miles of Underground facilities. We average 2.5 consumers per mile of line which makes for an expensive system for our members to maintain. East River Electric Power Cooperative, Madison, SD provides our wholesale power supply delivering the WAPA energy.

**Location:** Bon Homme Yankton Electric Association is headquartered in Tabor, South Dakota population 412 and provides electric distribution service over the 963 square miles of rural Bon Homme and Yankton counties in southeastern South Dakota. The town of Tabor is served by the cooperative and is the only incorporated town that we serve. The cooperative has territorial service agreements in the area with one IOU power supplier along with agreements with three neighboring cooperatives as well. The southern boundary is the Missouri River and we share boundaries with the three other electric cooperatives in our area.

**Population & Load Types:** Over the past 30 years or so we have seen our farm numbers drop considerably. Farms are becoming fewer but the ones remaining are becoming larger and in turn require upgrades for grain handling equipment and other energy needs. While we are seeing less farm numbers we have seen an increase in the number of members building homes in the area just west of Yankton along the river hills of Lewis & Clark Lake, which is the reservoir created by the Gavins Point Dam. Our system is now made up of about one half of the members are residential only services compared to the original makeup of the system when it was closer to 90% farms.

We serve one large commercial load that is a rural water district which accounted for about 8.8% of our total kWh sold in 2011. In 2006 we lost a manufacturing load from the system that had accounted for nearly 10% of our sales so we have been hit with a large loss of sales that we are still recovering from. We have limited irrigation of about 2% of sales and the rest are our other general accounts.

We have not seen a major increase in energy sales but sales are average about 80 million kWh's per year and that varies with the type of weather we have, so we are affected by the extreme hot and cold conditions.

**Load Control:** Our Cooperative has been involved in load management since the mid 1980's and continues to provide control on 2,086 Water heaters, 913 Air Conditioners and nearly 80 Irrigations systems. By the use of load management and reduction of demand we have been able to pass the savings back to our participating members through credits or reduced rates.

Along with the reduction of costs we also provide efficiency incentives or rebates for Lifetime water heaters, rebates on Ground Source and Air Source Heat Pumps and also cash incentive payments for Energy Star Appliance replacements. Controlled water heating provides for a very good use of off peak power use and is a major part of energy sales. All of these programs have been used for many years to help our members get the best value from their local cooperatives power supply.

**COST CONTAINMENT:** Our biggest concern with DOE Sec. Chu's memo is with the potential harm that may occur if rates from WAPA go up or cost based rates are changed to Market Rates. We are also concerned if the transmission system were to be opened up to other entities without them paying their full share of the expenses. At this time the current customers are paying the costs and they have always supported and understood why rates have had to increase over the years. Over the last 5 years our local system rates increased by nearly 10% per year and it is getting more difficult for our lower income members to pay their monthly electric bills. We are the ones answering our members face to face why rates are continuing to increase, not anyone from the government agencies.

We would ask that any steps taken to change the current Western structure of rates not be made if it is going to have a detrimental effect on current customers. Any change made should not increase our costs while potential benefits go to some other entity. Don't punish the end user by increasing their costs by forcing more renewables or other government backed regulations onto our members. If changes are made, do the ones that will save our members money or at least don't increase their costs.

Thank you.

*M. J. Goehring, GM*

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