

January 16, 2013

ATTN: Anita J. Decker, Acting Administrator
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

Joint Outreach Team
JOT@wapa.gov

RE: Draft Recommendations of the Joint Outreach Team (JOT)

Dear Ms. Decker and the Joint Outreach Team:

In response to the recently published Draft Recommendations of the Joint Outreach Team (JOT), our Cooperative would like to make the following comments:

- Many of the JOT recommendations are already being studied by the Western Area Power Administration. To assist the Secretary of Energy in his deliberations, each JOT recommendation should include brief descriptions of ongoing Western studies, their findings, that are already addressing the issue identified by the JOT.
- Further development of JOT recommendations should be conducted by Western in collaboration with its customers.
- Western customers are concerned about the cost and the burden on Western staff to undertake JOT recommendations without compromising the ability of Western to meet its core mission responsibilities. The JOT recommendations need to include cost estimates for pursuing each recommendation, who would pay for the recommendations, and what the budget impacts of those cost estimates are.
- Some of the JOT recommendations appear to conflict with projects' statutory authorities and responsibilities (e.g. inter-regional transmission rate consolidation). Before moving forward with studies on these recommendations, Western should conduct a thorough legal review of the "do-ability" of these recommendations. If implementation of these recommendations would require legislation, Western should defer further study until Western has consulted with customers about the advisability of pursuing legislation and reached agreement on a course of action.

- A guiding principle for JOT is sensitivity to regional differences among Western's projects, yet the draft recommendations suggest consolidation and standardization. JOT should review the economic feasibility and to what extent this consolidation is desirable in light of its commitment to respect for regional differences.
- The draft recommendations do not align with Western's core mission – the marketing and delivery of federal hydropower to preference customers at the lowest possible rate consistent with sound business principles. The expanded mission envisioned by the JOT recommendations offers little for Western's preference customers, while threatening additional costs unrelated to Western's core mission.
- The Energy Planning and Management (EPAMP) Integrated Resource Planning process is a valuable tool for Western's customers; but again, a "one size fits all" approach applied to all of Western's customers cannot accommodate regional differences, or the ability of different preference customers to implement end-use programs. Changes in the EPAMP will require a public process. Therefore, Western needs to clearly identify what they consider to be deficiencies in the IRP process and in what regions those deficiencies lie. They might be more easily solved within the current practices.
- In no event, should Western consider using the IRP process as a means to implementing some of the end-use programs noted in the March 16 Memorandum. Nor should Western attempt to change the IRP program to reward or penalize preference entities. JOT needs to remember that, for the most part, Western provides only a portion of preference customers' resource needs. State Public Utility Commissions have been active in this arena. There is no logical reason for Western to enter this arena.

Thank you for your time and review of these matters.

Cooperatively,



Richard G. Burud
General Manager

Email: burud@federatedrea.coop