

January 18, 2013

To: JOT@wapa.gov

Subject: Comments on the Draft Joint Outreach Team (JOT) Recommendations

To Whom It May Concern:

Northwest Iowa Power Cooperative (NIPCO), a Generation and Transmission Cooperative, is the wholesale power supplier to 7 Member Electric Cooperatives who in turn supply power to approximately 32,000 retail consumers in western Iowa. NIPCO purchases approximately 20% of its energy from the Western Area Power Administration (Western). We are pleased to provide comments to the draft recommendations of the Western/Department of Energy's JOT team.

As a customer of Western, we are concerned about a number of items identified in the draft recommendations that will add unnecessary costs to the price of the power purchased from WAPA. The JOT recommendations should include cost estimates for pursuing each recommendation and indicate their potential budget impacts. Any further development of JOT recommendations should be conducted by Western in cooperation with its customers.

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 achievability of these recommendations. If implementation of these recommendations should require changes through legislation, Western should defer further study until they have 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. However the draft recommendations suggest consolidation and standardization. JOT should reconsider the extent to which consolidation is desirable in light of its commitment to respect for regional differences.

The Energy Planning and Management ("EPAMP") Integrated Resource Planning (IRP) process is a valuable tool for Western's customers. 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.

Western should not consider using the IRP process as a means to implementing some of the end-use programs noted in the March 16, 2012 memorandum. Nor should Western attempt to change the IRP program to reward or penalize preference entities. Please remember that, as in NIPCO's case, Western provides only a portion of preference customers' resource needs. State Public Utility Commissions have been actively involved in this arena. Western's involvement will have a tendency to complicate the IRP process.

Thank you for the opportunity to comment on the draft JOT Recommendations.

Sincerely,
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