



January 21, 2013

Anita J. Decker
Acting Administrator
Western Area Power Administration
PO Box 281213
Lakewood, CO 80228-8213

Dear Ms. Decker:

I am writing on behalf of Dakota Valley Electric Cooperative and Northern Plains Electric Cooperative with comments on the draft recommendations of the Western/DOE Joint Outreach Team (“JOT”) which was referenced in *Federal Register* Notice Vol. 77, No. 224, Tuesday November 20, 2012, p. 69619).

Dakota Valley is a distribution electric cooperative serving 6,080 farms, homes and businesses in southeast North Dakota. Northern Plains is a distribution electric cooperative serving 11,200 farms, homes and businesses in east central North Dakota. Both Dakota Valley and Northern Plains, through contracts held by Central Power Electric Cooperative, receive a share of hydropower generated at federal multi-purpose projects in the Missouri River basin under the Pick-Sloan Missouri Basin Program. Additionally, both Dakota Valley and Northern Plains are members of Basin Electric Power Cooperative.

Approximately 17 percent of Dakota Valley’s and Northern Plains’ power supply consists of hydropower marketed by Western. This continues to be an important source of firm power for our cooperative members. Our hydropower allocation adds important diversity to our generation supply. Additionally, it serves as an ongoing reminder to our members of the benefits received from federal Pick-Sloan development which took place in North Dakota and in the region.

Comments on Collaboration

We recognize that the Western Area Power Administration (WAPA) and the Department of Energy (DOE) did a commendable job of reaching out and involving WAPA customers during their process of developing draft recommendations. During this process it was evident that WAPA customers demonstrated their concern and interest in furthering the mission and goals of WAPA, and undoubtedly provided a greater depth of information detail and perspective than could have otherwise been achieved by the JOT.

We strongly encourage the continuation of involvement of WAPA customers both in public processes and in other substantive manner as JOT recommendations are further considered or developed.

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Cost Concerns

The retail customers of Dakota Valley and Northern Plains – mostly farmers, residential customers, and owners of small businesses – are the ultimate rate payers for WAPA power. Over the last decade we have seen WAPA rates double due to the impact of the drought and inflationary pressures. While understanding that these past rate increases have been necessary and appropriately levied, we nevertheless feel that the benefit for each initiative considered by WAPA should be weighed against the cost that will be seen by the end user, our customers.

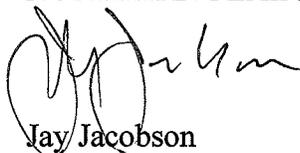
We recognize that the JOT process has not yet refined cost estimates for the individual recommendations along with the translation of those costs into a budgetary format. We see this as an essential ingredient of any meaningful initial evaluation and encourage this step be undertaken prior to further determination of recommendation validity.

Additionally, in order to avoid the possibility of compromising WAPA's ability to meet its core mission responsibilities of marketing and delivering federal hydropower to us, its preference customers, we feel that additional tasks should not be imposed upon WAPA without appropriate funding identified from entities benefiting from the initiatives. The current activities of WAPA are important to us in providing service to our retail customers. New initiatives for WAPA which do not serve to improve the current mission or demonstratively assist us in delivering service, and which have significant costs, should be critically examined and weighed prior to moving forward.

In summary, thank you for your openness in this process and for requesting these comments. We look forward to continuing to work with you during any further examinations.

Sincerely,

DAKOTA VALLEY ELECTRIC COOPERATIVE
NORTHERN PLAINS ELECTRIC COOPERATIVES



Jay Jacobson
General Manager