



Codington-Clark Electric Cooperative, Inc.

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January 22, 2013

Anita J Decker, Acting Administrator
Western Area Power Administration
PO Box 28123
Lakewood, CO 80228-8213

RE: Comments in Response to November 20, 2012, Federal Register Notice
Emailed: JOT@wapa.gov

Dear Administrator Decker:

Please accept this letter as comments of Codington-Clark Electric Cooperative, Inc., Watertown, South Dakota, in response to the November 20, 2012, Federal Register Notice concerning the draft recommendations of the Western/DOE Joint Outreach Team (JOT).

Codington-Clark Electric Cooperative is a retail electric distribution cooperative that purchases power for resale from East River Electric Power Cooperative a preference customer that holds contracts with the Western Area Power Administration (Western). Codington-Clark receives the direct benefits of federal power supply through ownership of East River. Western's transmission resources are essential to East River's ability to deliver reliable power supply to Codington-Clark.

Codington-Clark maintains 1,879 miles of overhead and underground distribution power lines and serves 3,124 meters sites in northeast South Dakota. This equates to 1.6 meters per mile of line, indicating a very rural consumer base. The types of loads served include; farm, rural residential, irrigation, commercial, industrial, crop drying, a tribal gaming casino and rural water pumping facilities.

We were pleased to see the JOT recommended leaving issues related to energy efficiency, demand response and electric vehicles at the retail level. We were however disappointed that the JOT ignored comments received during the listening sessions relating to the use of high volume electric water heaters in coordination with our demand-side management programs. The program we have in place offers extensive benefits including; reduced generation needs, a more efficient use of the transmission and distribution systems and cost savings to the end user. We would again ask that the DOE change their position on this issue and allow the use of high volume electric water heaters in coordination with demand-side management programs.

Following are comments addressing the JOT draft recommendations, three primary areas:

Increasing Operational Efficiencies; The JOT recommends studying the reserve capacity for each BA, consolidating the four OASIS sites, revising the large generation interconnection procedures and studying the consolidation of rates, intra-regionally, inter-regionally or Western wide. We believe these items are being considered in order to make it more feasible for large privately owned wind generation

projects to access the federal transmission grid. As discussed during the public input meetings we strongly agree that the beneficiary should pay. Any costs associated with these types of activities should have no impact on preference customers. We would also recommend the JOT reconsider the extent to which consolidation is desirable with respect to the commitment made by the JOT for recognizing regional differences.

Transmission Products and Services Opportunities; The JOT recommends evaluating Western's rate setting methodologies, evaluating Western's EPAMP Integrated Resource planning Program, perform an infrastructure investment study and identify the potential for combining the CRSP, DSW and RMR. We believe further development of these recommendations should be conducted by Western in collaboration with its customers. We also feel Western should not attempt to change the IRP program to reward or penalize preference customers.

Variable Energy Integration; In response to the JOT recommendations for steps to be taken regarding renewable energy integration we again believe any costs associated with accessing and utilizing the federal transmission system should be paid for by the entity requesting and or granted access without impact on preference customers.

In summary some of the JOT recommendations appear to conflict with statutory authorities and responsibilities. We believe 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.

Thank You.

Dave Eide

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