

To Joint Outreach Team –

I am submitting comments on Behalf of H-D Electric Cooperative, Clear Lake, SD, on the Federal Register, Vol. 77 No. 224 dated Tuesday, November 22, 2012. On the Department of Energy, Western Area Power Administration (Western), Draft Recommendations of Joint Outreach Team (JOT).

H-D Electric is a member-owned electric cooperative located in the northeast South Dakota serving approximately 3450 rural services in mostly Deuel, Hamlin and Northeast Brookings Counties. H-D Electric Cooperative receives the direct benefits of the federal power supply through the ownership of East River Electric Power Cooperative, Madison SD and the Western transmission resources are essential for East River's ability to deliver a reliable power supply to the H-D Electric system.

In general, as I read the recommendation of the JOT, I'm concerned that the recommendations will come with a cost to the members of H-D Electric without providing benefits to the same members. The draft recommendations appear not to align with Western's core mission of 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. These costs may either be passed on to the preference customers costs or be a duplicate of studies already underway by Western.

I offer these suggestions to the JOT:

To assist the Secretary of Energy in his deliberations, each JOT recommendation should include brief descriptions of ongoing Western studies and work that already address the issue identified by the JOT. Additionally, use Western's customers to collaborate on the further development of the JOT recommendations.

Because of the concern that with additional workload to the Western staff to undertake the JOT recommendations, without compromising the ability to Western to meet its core requirements. I recommend that the JOT include cost estimates for each recommendation and the budget impact of the recommendations.

A guiding principle for JOT is sensitivity to regional differences among Western's projects, yet the draft recommendations suggest consolidation and standardization. JOT should carefully study 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 process is a valuable tool for Western 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. Therefore, Western needs to clearly identify what they consider to be deficiencies in the IRP process and in what regions those deficiencies lie. 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 reason for Western to complicate the picture.

Respectfully submitted by,

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