PLATTE RIVER
POWER AUTHORITY
Estes Park • Fort Collins • Longmont • Loveland

January 22, 2013

Western Area Power Administration
Via Email: JOT@wapa.gov

Statement of Platte River Power Authority Re: Draft Recommendations of Joint Outreach Team

Platte River Power Authority (Platte River) submits the following comments in response to the Draft Recommendations from the Joint Outreach Team (JOT Recommendations) appearing in the November 20, 2012, Federal Register.

Platte River is a political subdivision of the State of Colorado. Platte River functions as a joint-action agency providing wholesale power and transmission services to the municipalities of Estes Park, Fort Collins, Longmont, and Loveland (Member Municipalities), all of which are located in Northern Colorado. The Member Municipalities each operate retail electric distribution systems. Approximately 20 percent of the power provided by Platte River to the Member Municipalities is purchased from Western Area Power Administration (Western) under long-term agreements, making Platte River Western's third largest customer. Platte River is also a member of the American Public Power Association (APPA) and the Colorado River Energy Distributors Association (CREDA), and supports the comments submitted by each of these associations. Platte River is also listed as a participant in the Limited Joint Comments appended to the comments of the APPA.

Platte River participated in the "Defining the Future" process initiated by the Department of Energy and Western subsequent to the publication of the "Power Marketing Administrations' Role" memorandum from Secretary of Energy Steven Chu, dated March 16, 2012. Platte River provided comment during the "listening session" held in Loveland, Colorado and later submitted written comments on August 17, 2012.

Platte River generally endorses the comments of the Colorado River Energy Distributors Association, the American Public Power Association and the National Rural Electric Cooperative Association, and will focus its comments on two issues relevant to the JOT Recommendations and the process under which the recommendations will be further studied and implemented:

- First, Platte River recommends that a formalized coordination mechanism be established that will provide preference customers a ready and continuous means of dialogue with Western as the planning and implementation process moves forward. We concur with CREDA that Western should establish a preference customer working group to discuss

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and establish principles and processes going forward. We will participate fully in the working group's activities.

- Second, Platte River suggests that Western and the proposed preference customer advisory group determine a rational phasing of the various implementation steps and studies proposed in the JOT Recommendations.

The need for a truly collaborative dialogue between Western and its preference customers on issues as important as the reorientation of the historic role of PMAs is an important point that Platte River addressed in detail in its August 17, 2012, comments on the March 16, 2012, DOE Memorandum.

As noted in the CREDA comments, preference customers provide the revenues upon which the PMAs depend. The relationship of the PMAs and their preference customers is intimate and long-standing, which CREDA suggests merits "a different standard of engagement"—one which recognizes the interdependence of the PMAs and their preference customers. This type of formalized preference customer input mechanism is not atypical; in fact, Western convened just such an advisory group of preference customers to address the future capital needs faced by Western. Initially, the proposed preference customer working group could be similar to or the same executive-level group that met on December 4, 2012, and would establish principles for future planning and implementation efforts.

The first order of business for any such preference customer advisory group should be to evaluate and prioritize the JOT Recommendations. Platte River is aware that Western staff has suggested that comments on the JOT Recommendations should include proposals for prioritization, but Platte River believes that prioritization at this stage would be premature. Once the final suite of recommendations is in place, Western and the preference customers will be in a better position to determine how implementation and future studies should be phased.

Sincerely,

Jackie A. Sargent

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General Manager