



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

DEC 18 2009

Notice of
New Firm Power and Firm Peaking Power Rates
Pick-Sloan Missouri Basin Program--Eastern Division
Western Area Power Administration

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Dear Firm Power Customer:

Enclosed is the *Federal Register* notice (FRN) published December 18, 2009 (Volume 74, FR No.242, pages 67197-67204). The FRN gives notice that Rate Order No. WAPA-147 (Rate Order) was approved by the Deputy Secretary, United States Department of Energy. The Rate Order approves the provisional rates for firm power and firm peaking power, set forth in the Pick-Sloan Missouri Basin Program--Eastern Division Schedule of Rates for Firm Power Service, P-SED-F11, and Schedule of Rates for Firm Peaking Power Service, P-SED-FP11, effective January 1, 2010, through December 31, 2014.

Firm Power Service rate, under P-SED-F11, is \$7.65/kilowattmonth for capacity and 19.05 mills/kilowatthour for energy. The Firm Peaking Service rate, under P-SED-FP11, is \$6.90/kilowattmonth for capacity and 19.05 mills/kilowatthour for energy. These rates are identified using Base and Drought Adder components.

If you have any questions, please telephone Ms. Linda Cady-Hoffman at (406) 247-7439.

Sincerely,

Jody S. Sundsted
Power Marketing Manager

Enclosure

Pick-Sloan Missouri Basin Program—Eastern Division

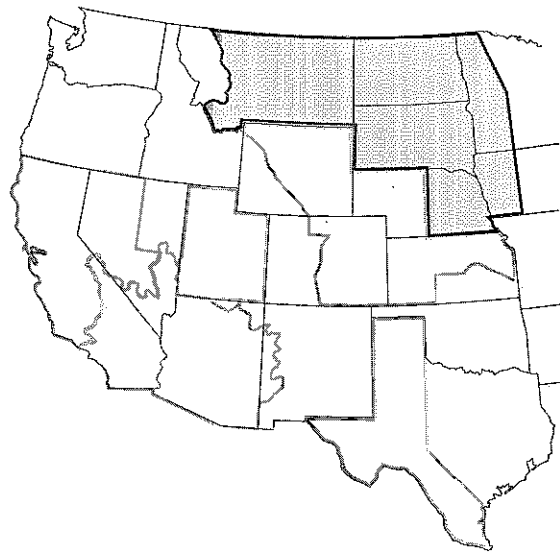
The Pick-Sloan Missouri Basin Program was authorized by Congress in 1944. The multipurpose program provides flood control, irrigation, navigation, recreation, preservation and enhancement of fish and wildlife and power generation. Pick-Sloan power is marketed by two Western regions—Upper Great Plains and Rocky Mountain.

Seven dams and powerplants on the Missouri River produce hydroelectric power for the Eastern Division of the Pick-Sloan. They are: Canyon Ferry in western Montana; Fort Peck at Fort Peck, Mont.; Garrison at Riverdale, N.D.; Oahe at Pierre, S.D.; Big Bend at Fort Thompson, S.D., and Fort Randall and Gavins Point in southern South Dakota. Yellowtail Dam on the Bighorn River in south central Montana produces power for both the Eastern and Western divisions. Including one-half of Yellowtail, Eastern Division powerplants generate more than 10 million kWh in an average year.

The Bureau of Reclamation operates 16 powerplants in the Pick-Sloan—Western Division. Most of these plants are associated with irrigation-based projects that have reached advanced stages of development. Western Division power is marketed through the Loveland Area Projects by Western's Rocky Mountain Region.

Eastern Division

In FY 2005, the Upper Great Plains saw the drought continuing with another year of generation well below average, totaling only 6 billion kWh. This required the region to purchase 5.1 billion kWh of energy at a cost of \$215 million to support its firm power contracts.



Due to the continuing drought, a 12.7-percent rate increase took effect February 1, 2004, and another 2.9-percent increase became effective on October 1, 2004. The firm composite rate of 16.51 mills/kWh took effect October 1, 2004. With the drought deepening, UGP initiated another public process June 16, 2005 to increase its power rates a second time. The proposed rate increase called for a composite rate increase of 11.9 percent in January 2006 and an additional increase of 5.8 percent in January 2007.

The Upper Great Plains Region serves customers across more than 378,000 square miles in the northern Rocky Mountain and western plains states. Power is delivered through 104 substations, across about 7,919

PICK-SLOAN MISSOURI BASIN PROGRAM

EASTERN DIVISION

Purchased Power

	FY 2005		FY 2004	
	Energy (MWh)	Costs (\$000)	Energy (MWh)	Costs (\$000)
NonWestern Suppliers				
Minnesota Power (Allete)	3,106	110	61	2
Alliant Energy Service	0	0	100	3
Alliant Services Company	100	3		
Aquila, Inc.	49,549	2,355	41,821	1,630
Avista Corporation ²	2	0	0	0
Associated Electric Cooperative Inc.	11,966	695	6,213	285
Basin Electric Power Cooperative	2,071,761	84,260	2,328,520	74,172
Black Hills Corporation	5,015	411	4,655	233
Bonneville Power Administration	18	1	0	0
Cargill-Alliant, LLC	391,472	16,969	254,164	8,262
Chelan County PUD #1 ²	1	0	0	0
Connectiv Energy	0	0	2	1
Ames, Iowa	19	2	4	1
Hastings, Neb. ²	9	0	1	0
Hutchinson, Minn. ²	7	0	1	0
Gen-Sys Energy	2,328	98	3,847	140
Heartland Consumers' Power District	176,334	7,180	132,448	3,632
Kansas City Power & Light	16,921	537	6,265	213
Lighthouse Energy Trading	24,163	1,589	2,390	98
Manitoba Hydro	10,539	392	4,140	211
Minnesota Municipal Power Agency	21,576	1,057	9,355	381
MidAmerican Energy Company	24,629	1,251	229,538	7,747
Minnkota Power Coop	439	10	3,033	54
MISO Energy Market	0	250	0	0
Missouri River Energy Services	11,791	499	9,404	288
Montana-Dakota Utilities Co.	495	15	1,679	44
Municipal. Energy Agency of Nebraska	2,765	178	495	23
Muscatine	21	1	5	1
Nebraska Public Power District	316	20	72	5
Northpoint Energy Solutions	185,441	9,219	36,689	2,044
Northwestern Public Service	249,128	9,601	358,121	10,430
Northwestern Energy LLC ²	1	0	0	0
Omaha Public Power District	588,674	19,686	340,050	8,197
Otter Tail Power Company	176,407	7,772	102,559	3,926
PacifiCorp ²	5	0	0	0
Pennsylvania Power & Light Montana, LLC	18,735	924	21,130	1,143
PowerEx Corporation	90	5	0	0
Portland General Electric ²	2	0	0	0
Rainbow Energy Marketing Corporation	545,560	27,895	500,839	17,869
Seattle City Light ²	1	0	0	0
Select Energy, Inc.	116,568	3,224	56,025	1,191
Sempra Energy Trading Corp	3,938	212	0	0
South. Minnesota Mun. Power Agency	829	42	615	13
Southwestern Power Administration	33,100	833	2,275	136
Split Rock Energy	10,210	472	9,620	464
Tenaska Power Services Co	45,832	2,072	12,158	391
The Energy Authority	168,358	6,663	40,529	1,299
Transalta Marketing Corporation	150	5	708	22
Western Farmers Electric Cooperative	15	1	0	0
Westar Energy	153,754	7,973	142,462	6,311
Xcel Energy	12,632	501	10,045	277
Total NonWestern	5,134,772	214,983	4,672,038	151,139

PICK-SLOAN MISSOURI BASIN PROGRAM

EASTERN DIVISION

Power Sales and Revenues, continued

Customer	Contract rate of delivery		2005		2004	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
Iowa						
Central Iowa Power Co-op.	11,842	16,675	84,003	1,311,192	83,926	1,210,233
Corn Belt Power Co-op.	23,524	27,417	133,040	2,103,554	133,514	1,948,019
L&O Power Co-op.	10,826	16,088	68,177	1,094,256	68,463	1,012,987
Northwest Iowa Power Co-op.	37,616	46,382	219,841	3,464,611	220,604	3,208,778
Subtotal Iowa			505,061	7,973,613	506,507	7,380,017
Minnesota						
Agralite Electric Cooperative	7,845	9,567	42,094	687,465	43,516	648,824
Brown County Rural Electric	5,268	6,425	29,727	476,840	30,299	447,955
Federated Rural Electric Association	7,935	9,502	46,361	736,517	46,084	679,228
Itasca-Mantrap Coop Elec Assn.	4,108	4,643	23,880	379,807	23,959	350,678
Kandiyohi Power Cooperative	4,597	5,790	31,495	487,988	31,600	448,842
Lake Region Cooperative Electrical Assn.	13,857	16,899	75,577	1,225,114	76,895	1,147,129
McLeod Cooperative Power Association	2,058	2,510	10,680	175,143	10,304	159,975
Meeker Cooperative Light & Power	4,495	5,481	22,759	377,347	22,247	346,477
Minnesota Valley Coop.	9,447	11,853	51,408	876,729	51,582	815,316
Nobles Cooperative Electric	9,649	11,768	52,616	850,709	52,156	786,898
Redwood Electric Cooperative	5,116	6,239	25,791	429,071	25,121	393,959
Runestone Electric Association	8,523	10,394	46,838	756,000	47,310	705,108
South Central Electric Association	6,769	8,255	39,873	634,069	40,435	594,863
Stearns Cooperative Electric Association	9,385	11,445	46,852	782,463	46,119	721,505
Todd-Wadena Electric Cooperative	5,653	6,895	30,353	493,562	30,852	462,327
Subtotal Minnesota			575,304	9,368,824	578,479	8,709,084
Missouri						
Associated Electric Schedule Trans.	0	0	37,842	1,358,406	19,662	540,035
Subtotal Missouri			37,842	1,358,406	19,662	540,035
Montana						
Big Horn County Electric Co-op.	1,590	3,483	14,181	239,884	14,238	223,127
Central Montana Electric Power Co-op.	47,148	62,971	290,967	4,988,680	344,647	5,458,030
Southern Montana Elec. Cooperative	21,082	21,543	109,626	1,942,583	38,665	668,989
Upper Missouri G&T Elec. Co-op.	37,305	53,676	296,614	5,036,806	297,731	4,693,499
Subtotal Montana			711,388	12,207,953	695,281	11,043,645
North Dakota						
Basin Electric Power Co-op.	0	268,800	68,494	10,119,783	20,697	5,455,853
Capital Elec. Co-op.	1,991	2,630	12,195	217,942	12,245	202,845
Central Power Electric Co-op.	40,938	60,955	318,609	5,111,054	320,351	4,734,335
KEM Electric Co-op.	5,992	7,948	32,631	577,863	32,765	540,560
Minnkota Power Co-op.	49,351	72,789	368,923	6,028,513	406,293	6,829,258
Mor-Gran-Sou Electric Co-op.	3,765	6,044	26,630	455,724	26,739	424,004
Oliver-Mercer Electric Co-op.	2,635	3,842	17,726	299,948	17,798	279,277
Subtotal North Dakota			845,208	22,810,827	836,888	18,466,132
South Dakota						
East River Power Co-op.	118,619	138,512	701,408	11,097,757	703,310	10,279,275
Grand Electric Co-op.	3,320	4,931	25,871	451,927	25,968	421,631
Northern Electric Co-op.	1,280	1,798	7,629	132,305	6,901	110,097
Rosebud Electric Co-op.	10,904	13,646	59,572	1,085,159	59,782	1,013,196
Rushmore Electric Power Co-op.	31,225	33,690	160,237	2,902,810	160,837	2,719,868
Subtotal South Dakota			954,717	15,669,958	956,798	14,544,067
Total rural electric cooperatives			3,621,743	69,198,895	3,593,990	60,690,480

Table 1 (Corrected)
Total Adjusted Power Rates
(Base Rates with LB, FB and SN CRAC Applied)

10/1/04 - 3/31/05

Increased Revenue Required (LB CRAC%) **22.34%**

Change to Slice Rate **21.93%**

Change to non-Slice Rate (LB CRAC %) **21.66%**

+ Change to Rate (FB CRAC %) **11.16%**

+ Change to Rate (SN CRAC %) **0.00%**

= Total Rate Adjustment for non-Slice Sales **32.82%**

Slice	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
5-yr PF-02 and RL-02 rates	\$1,730,711	\$1,730,711	\$1,730,711	\$1,730,711	\$1,730,711	\$1,730,711
HLH (\$/MWh)	21.61	29.23	30.09	26.73	24.67	22.36
LLH (\$/MWh)	15.62	23.53	23.07	18.78	17.46	15.16
Demand (\$/KW-mo)	2.34	3.07	3.07	2.87	2.70	2.41
Load Variance (\$/MWh)	1.06	1.06	1.06	1.06	1.06	1.06
2nd 2-year Stepped PF-02 Rates						
HLH (\$/MWh)	22.81	30.42	31.28	27.92	25.87	23.55
LLH (\$/MWh)	16.81	24.72	24.27	19.98	18.65	16.36
Demand (\$/KW-mo)	2.34	3.07	3.07	2.87	2.70	2.41
Load Variance (\$/MWh)	1.06	1.06	1.06	1.06	1.06	1.06
IP-02 Rates w IPTAC(A)						
HLH (\$/MWh)	26.61	34.21	35.08	31.72	29.66	27.35
LLH (\$/MWh)	20.61	28.52	28.07	23.78	22.45	20.16
Demand (\$/KW-mo)	2.34	3.07	3.07	2.87	2.70	2.41
IP-02 Rates w IPTAC(B)						
HLH (\$/MWh)	28.59	36.20	37.07	33.71	31.65	29.34
LLH (\$/MWh)	22.61	30.52	30.06	25.77	24.44	22.15
Demand (\$/KW-mo)	2.34	3.07	3.07	2.87	2.70	2.41

1/ Slice sales are not subject to the FB or SN CRAC.

2/ The SN CRAC was adjusted downward by the Administrator and set to zero for FY 2005.

Notes: The LB and FB CRAC adjustments to rates show up on power bills as separate line items. Tables 2 and 3 show the individual adjustments as they will appear on the bill.

LB CRAC: Load-Based Cost Recovery Adjustment Clause

FB CRAC: Financial-Based Cost Recovery Adjustment Clause

SN CRAC: Safety Net Cost Recovery Adjustment Clause

Source: May 2000 Base Rates

Table 2
Base Rates with LB CRAC Applied (CRAC 7 Period)
 10/1/04 - 3/31/05

Increased Revenue Required (LB CRAC5 %)	22.34%
Change to Slice Rate	21.93%
Change to non-Slice Rate	21.66%

	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Slice (\$/MWh)	\$1,730.711	\$1,730.711	\$1,730.711	\$1,730.711	\$1,730.711	\$1,730.711
5-yr PF-02 and RL-02 rates						
HLH (\$/MWh)	19.79	26.77	27.56	24.48	22.60	20.48
LLH (\$/MWh)	14.31	21.55	21.13	17.20	15.99	13.89
Demand (\$/KW-mo)	2.14	2.81	2.81	2.63	2.47	2.21
Load Variance (\$/MWh)	0.97	0.97	0.97	0.97	0.97	0.97
2nd 2-year Stepped PF-02 Rates						
HLH (\$/MWh)	20.89	27.86	28.65	25.57	23.70	21.57
LLH (\$/MWh)	15.40	22.64	22.23	18.30	17.08	14.99
Demand (\$/KW-mo)	2.14	2.81	2.81	2.63	2.47	2.21
Load Variance (\$/MWh)	0.97	0.97	0.97	0.97	0.97	0.97
IP-02 Rates w IPTAC(A)						
HLH (\$/MWh)	24.37	31.34	32.13	29.05	27.17	25.05
LLH (\$/MWh)	18.88	26.12	25.71	21.78	20.56	18.47
Demand (\$/KW-mo)	2.14	2.81	2.81	2.63	2.47	2.21
IP-02 Rates w IPTAC(B)						
HLH (\$/MWh)	26.19	33.16	33.96	30.88	28.99	26.87
LLH (\$/MWh)	20.71	27.96	27.53	23.60	22.39	20.29
Demand (\$/KW-mo)	2.14	2.81	2.81	2.63	2.47	2.21

Note: The LB CRAC rate was presented at the June 10, 2004 Workshop and finalized in the June 24, 2004 letter to Rate Case Parties and Customers. (This note was corrected at 1:00 PM on September 16, 2004)