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February 14, 2006

**Comments On The Draft Environmental Impact Statement (DEIS) Red River Valley Water Supply Project**

The Mid-West Electric Consumers Association appreciates the opportunity to comment on the Draft Environmental Impact Statement (DEIS) Red River Valley Water Supply Project.

The Mid-West Electric Consumers Association was founded in 1958 as the regional coalition of consumer-owned utilities (rural electric cooperatives, public power districts, and municipalities) that purchase hydropower generated at federal multi-purpose projects in the Missouri River basin under the Pick-Sloan Missouri Basin Program.

Mid-West's comments address the Corps of Engineers Report, "Red River Valley Water Supply Project – Effects of Alternatives Depleting Water from the Missouri River on Missouri River Uses and Resources by the Missouri River Water Management Division, Northwestern Division, Corps of Engineers, August, 2005. That report assesses impacts of four different scenarios for diverting Missouri River water to the Red River in eastern North Dakota.

The Corps' report does not find any impacts on hydropower generation on the Missouri River. Mid-West respectfully disagrees. The Corps report uses a Hydropower National Economic Development (NED) assessment tool. Mid-West has objected to the use of this assessment tool in past Corps analyses, most notably the revised Water Control Manual for the Missouri river. The model does not capture the real impacts of changes in hydropower generation.

The DEIS looks at four scenarios for diverting water to the Red river. Two of those scenarios call for withdrawals from above generation at Garrison dam; two call

for withdrawals above generation at Oahe dam. Withdrawals range from 30,410 acre-feet to 143,097 acre-feet of water.

All of these scenarios could affect Missouri river hydropower generation marketed by the Western Area Power Administration (Western). Two primary factors affect the level of impact on hydropower generation: the amount of the withdrawal, and where the withdrawal takes place. The amount of water withdrawn obviously impacts hydropower generation since that water is not available for generation. Where the water is withdrawn will affect the magnitude of any hydropower impact. The higher up in the main stem system the water is withdrawn, the more generation is affected. A withdrawal above Garrison's power plant would mean no generation at Garrison as well as at Oahe, Big Bend, Ft. Randall and Gavins Point.

In assessing the financial impact of withdrawals, one needs to look at market prices in the region. The firm power rate that Western charges for the power is not as relevant, since the withdrawal could mean purchasing replacement power (at market prices) to meet Western's firm power contract obligations, or lost revenues from sale of surplus power in the market. If market prices are 53 mills/kwh, the four scenarios in the DEIS could have the following annual financial impacts on the Western Area Power Administration:

Scenario 1: 113,702 acre-feet of water withdrawn above Garrison's generation means \$3 million at market rates.

Scenario 2. 143,097 acre-feet of water withdrawn above Garrison's generation means \$3.7 million at market rates.

Scenario 3. 30,410 acre-feet of water withdrawn above Oahe's generation means \$600,000 at market rates.

Scenario 4. 113,702 acre-feet of water withdrawn above Oahe's generation means \$800,000 at market rates.

Mid-West recognizes that many factors must be weighed in determining a solution to the long term water needs of the Red River Valley and neighboring cities in Minnesota. Mid-West offers these comments in an effort to provide the Bureau of Reclamation and the State of North Dakota a more accurate picture of the impacts on hydropower generation on the Missouri River.

Thank you for your consideration of these remarks.

Sincerely,



Thomas P. Graves  
Executive Director