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December 16, 2010

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57504-5070

RE: Docket No. RM09-002 - In the Matter of the Adoption of Rules Regarding Renewable, Recycled, and Conserved Energy

Dear Ms. Van Gerpen:

East River has reviewed the revised draft rules, dated November 23, 2010, in this matter. We have no suggested changes to the proposed rules.

We applaud the Commissioners and staff for their thoughtful approach to these rules. The rural electric cooperatives have long been advocates of energy efficiency and conservation and appreciate their inclusion in the proposed rules. East River and its members, twenty-four rural electric cooperatives and one municipally-owned electric system in South Dakota and Minnesota, have invested and continue to invest substantial resources in these areas.

In particular, we are pleased with the Commission's recognition of demand response measures. Scholars, scientists, industry experts, and consumer advocates all believe that demand response is a critical component of smart grid technology. Through the coordinated efforts of consumers and utilities, backed by information technology and engineering advancements, demand response lessens the need for additional generation resources. In this era of concern regarding the cost and environmental impact of all forms of new generation, demand response must be part of the solution.

Simply put, demand response is a win-win-win proposition: it benefits the environment, lowers costs for consumers, and yields a more efficient use of existing utility and consumer resources.

If you have any questions, please do not hesitate to contact me. Our thanks to all of you for your hard work on this important issue.

Sincerely,

Robert K. Sahr
General Counsel

RKS/si