



Colorado Potato Administrative Committee

January 7, 2009

Jim Clare

San Luis Valley Rural Electric Cooperative

Monte Vista, Colorado 81144

Dear Jim Clare,

The Colorado Potato Administrative Committee is very appreciative of the educational presentation you gave the committee detailing the proposed San Luis Valley Electric System Improvement Project. Our industry is dependent on reliable electrical power supplies for irrigation water and to maintain the quality of our potato crops in storage. These are critical resources for our survival as an industry. This looming problem is a grave concern beyond our immediate industry. The potato industry is one of the main economic engines of the San Luis Valley and the source of many jobs.

It was alarming to learn that the current electric system in the San Luis Valley has nearly reached its operating limit and that without the addition of new transmission lines in the near future voltage collapse could affect many potato producer's ability to efficiently operate their farms, and perhaps even limit potato production within the valley.

The San Luis Valley Rural Electric Cooperative has been a great partner with the potato industry over the years. Our growers have been able to count on consistent power supplies and quality service at reasonable cost. Our industry is facing unprecedented cost increases for fertilizer, chemicals, transportation costs, new irrigation water fees and labor shortages. Potential electrical energy cost increases due to a limited supply of power in an environment of increasing demand could lead to cost increases that could cripple our growers.

The Colorado Potato Administrative Committee unanimously voted to express their support for this project. CPAC is extremely interested in exploring all alternatives that potato producers can pursue to conserve energy to assist the SLV REC immediately. The addition of this transmission line is critical to the future of the potato industry and agriculture within the San Luis Valley.

Sincerely,

Jim Ehrlich
Executive Director
Colorado Potato Administrative Committee