mesa·az
ENERGY RESOURCES
mesaaz.gov

October 3, 2011

Ms. Debbie Emler
Asst. Regional Manager for Federal Power Programs
Western Area Power Administration
P.O. Box 6457
Phoenix, Arizona 85005-6457

Re: Comments on Western's Proposed Cost Allocation Methodology and Consolidation

Dear ~~Ms. Emler~~ Debbie:

The City of Mesa is a customer of the Parker-Davis System and relies upon this system to meet our customers' electric energy needs in a safe, reliable and economic manner. Mesa has reviewed Western's proposed methodology and results for allocation of its operations costs. "SCADA points" may have been the appropriate basis, in part, for allocating such costs at one point in time due to the absence of more accurate and complete accounting information. Mesa's supports the adoption and use the Cost Allocation Methodology presented during Westerns' presentations on September 19 and 20, 2011. The proposed methodology relies upon more complete, appropriate and accurate information about the work being performed on the systems that Western operates on behalf of its customers.

We believe that the proposed allocation is an equitable allocation of costs based upon an improvement in the methodology utilized and are supportive of your proposal.

Sincerely,

Frank McRae

Energy Resources Department Director

cc: Pedro Serrano
Bill Taebel