



January 10, 2013

Mr. Darrick Moe  
Desert Southwest Regional Manager  
Western Area Power Administration  
P.O. Box 6457  
Phoenix, Arizona 85005-6457

Re: Boulder Canyon Project – Post 2017 Resource Pool Market

Dear Mr. Moe;

On behalf of Navopache Electric Cooperative, Inc. (NEC), I am writing to offer comments on the Western Area Power Administration's (Western) proposed marketing criteria for the Post 2017 Resource Pool that will become available as a result of the Hoover Allocation Act of 2011 (HPAA). NEC serves electric customers/members in rural Arizona and we have an interest in the availability of power from the Hoover Project that will be made available under Schedule D of the HPAA.

As the Chief Executive Officer of a rural electric cooperative, I have the responsibility to provide reliable electric service at the lowest cost possible to our members. NEC serves rural communities in eastern Arizona including all of the White Mountain Apache Tribe reservation. I am concerned that Western intends to give priority to Federally recognized Native American tribes, municipal corporations, and political subdivisions ahead of electric cooperatives. I understand subsection E relegates rural electric cooperatives to a third tier status in evaluating applications for power made available under Schedule D of the HPAA. This is a departure in the treatment of traditional preference entities such as rural electric cooperatives and is not consistent with Congressional intent in passing the HPAA.

Western has a long tradition of treating rural electric cooperatives and municipally owned utilities on par in consideration of the allocation of power from Bureau of Reclamation (Bureau) and U.S. Army Corps of Engineers (Corps) projects. While it appears clear from the reading of the language of the HPAA that federally recognized tribes should also be considered as eligible entities for power under Schedule D, there is nothing in the statutory language or the testimony before Congress that would indicate that federally recognized tribes have a super-priority over traditional preference entities. The more reasonable interpretation of the HPAA should lead Western to revise the priority criteria and consider applications of federally recognized tribes on par with the applications of traditional preference entities such as rural electric cooperatives and municipally owned utilities. I encourage you to make this revision to the final marketing criteria.

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As Western moves forward with the final marketing criteria, I believe that the portions of the marketing criteria that refer to a potential recipient's ability to receive power are well advised. The HPAA makes specific reference to the Secretary's obligation to offer capacity and energy under Schedule D. While Western may desire some flexibility to provide an equivalent benefit as set forth in subsection L, the statutory language of the HPAA limits the Secretary to providing contingent capacity and firm energy.

I would also suggest Western clarify in the final marketing criteria that the revised marketing criteria for Post 2017 applies solely to the allocation of Schedule D resources made available by the HPAA. While implied in the supplementary information preamble in the Federal Register notice of October 30, 2012, the final marketing criteria should be expressly limited in scope to the marketing of Schedule D power.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles R. Moore".

Charles R. Moore, P.E.  
Chief Executive Officer