

**ELECTRICAL DISTRICT NUMBER SEVEN**  
**of the County of Maricopa and State of Arizona**

OFFICE OF THE CHAIRMAN-MANAGER

14629 WEST PEORIA AVENUE WADDELL, ARIZONA 85355-9617

PHONE: 623-935-6253

FAX: 623-935-4360

EMAIL: powerandwater@aol.com

October 21, 2010

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

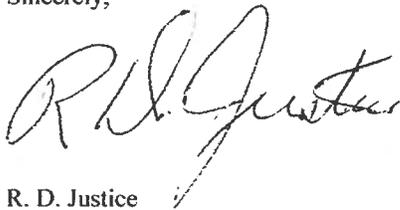
Re: ED5-Palo Verde Hub Project

Dear Mr. Moe:

In response to the request for comments issued at the October 6<sup>th</sup> Parker-Davis Project customer meeting, and in conjunction with comments previously submitted by the Southwest Public Power Resources ("SPPR") Group, Electrical District Number Seven is submitting these comments in support of the proposed ED5-Palo Verde Hub Project, also known as the SPPR Group Proposal. Furthermore, we are in support of Western Area Power Administration's ("Western") proposal to add a Facility Use Charge to the Parker-Davis base rate as a payment mechanism. We believe these proposals provide multiple benefits to both existing and potential customers, and address issues of concern to both.

We look forward to working with Western on this matter, and thank you for your efforts.

Sincerely,



R. D. Justice  
Chairman/Manager

cc: Dennis Delaney, K. R. Saline & Associates