

HARQUAHALA VALLEY POWER DISTRICT

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October 21, 2010

Mr. Darrick Moe
Regional Manager
Western Area Power Administration
Desert Southwest Region
P. O. Box 6457
Phoenix, AZ 85005-6457
moe@wapa.gov; dswpwrmrk@wapa.gov

Re: ED5-Palo Verde Hub Project

Dear Mr. Moe,

In response to the request for comments issued at the October 6th Parker-Davis Project customer meeting, and in conjunction with comments previously submitted by the Southwest Public Power Resources ("SPPR") Group, the Harquahala Valley Power District 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 further with Western on this matter and thank you for your efforts.

Sincerely,



Jeff Woner
District Manager (JT)

Cc: Dennis Delaney
Jack Doughty
Wade Ferguson
Steve Martori
Jay Moyes