



SPPR Group, LLC  
Headquarters Office  
1000 S. Highway 80  
P.O. Box 670  
Benson AZ 85602  
520.586.3631 phone  
520.586.5343 fax

October 19, 2010

*Sent via E-mail*

Mr. Darrick Moe, Regional Manager  
Western Area Power Administration, Desert Southwest Region  
PO Box 6457  
Phoenix, AZ 85005-6457  
[moe@wapa.gov](mailto:moe@wapa.gov); [dswpwrmrk@wapa.gov](mailto:dswpwrmrk@wapa.gov)

**RE: ED5 – PALO VERDE HUB PROJECT (SPPR PROPOSAL)**

Dear Mr. Moe:

In response to the Parker-Davis Project customer meeting held on October 6, 2010 at Desert Southwest Region (DSW) offices, the Southwest Public Power Resources (SPPR Group) wishes to express its support in moving forward with the development of the “ED5-Palo Verde Hub Project,” also referenced as the “SPPR Group Proposal.” In addition, the SPPR Group supports Western Area Power Administration (Western) concept of adding a “Facility Use Charge” to the Parker-Davis base rate. It is our understanding that the Facility Use Charge will provide a necessary independent process for the collection of repayment dollars for the Department of Energy Transmission Infrastructure Program (TIP) funds and related operating expenses.

The SPPR Group looks forward to working with Western and the Parker-Davis Project contractors to develop the procedures and methodologies to implement the Facility Use Charge concept. We thank Western for its creativity and efforts in defining a project, pursuing funding opportunities and establishing repayment processes, which will hopefully lead to the construction of critical transmission assets within the DSW.

Sincerely,

A handwritten signature in black ink that reads 'Donald W. Kimball'. The signature is written in a cursive, flowing style.

Donald W. Kimball  
Chairman, The SPPR Group Management Committee

c/SPPR Group Management Committee