

AMPS was not in existence when the first allocations for Federal Hydro power were made from the Parker-Davis or other hydro projects along the Colorado River. It is AMPS understanding that many of the initial allocations provided the recipients with very large allocations as compared to recipient load. These high percentage allocations allowed the recipients to direct capital resources into paying for infrastructure costs while maintaining competitive rates. AMPS and other **full service -tribal electric utilities** should be afforded the same opportunity as those utilities who received the initial allocations. AMPS has had to shoulder these start up costs without the benefit of a large allocation. Utility formation represents a significant risk to those who undertake this task - be it - tribal, municipal or co-operative. AMPS management believes that this allocation is a critical strategic component of operating a full service tribal electric utility. AMPS will not be required to find a partner to directly deliver allocation benefits to Tribal members or its other customers.

AMPS has invested a great deal of time, capital and human resources, in developing the necessary infrastructure and technical expertise required for establishing a tribal electric utility that would be competitive with other electric utilities in the region. AMPS growth during its formative years was somewhat slow however that growth has exploded since the turn of the century. AMPS 2005 forecasted power supply requirements over 2000 is +50 % for energy and + 69 % for capacity. This impressive growth rate was fueled by two primary sources – successful economic development of the reservation and the acquisition of load from both Mohave Electric Co-operative and the City of Needles. This growth rate is now placing upward price pressure on the energy rates that AMPS must charge the residents of the FMIT. This upward price pressure comes from increased energy costs and the capital deployed to purchase the necessary infra-structure to support start up cost and now rapid load growth. AMPS faces the real possibility of becoming non-competitive with its neighboring utilities without a substantial allocation from the post 2008 resource pool. This non-competitive status will make it more difficult to attract new development to the FMIT. Potential businesses will choose to locate in adjacent service territories where utility costs may be cheaper.

AMPS will complete its load acquisition from neighboring utilities in 2005 and is forecasting continued load growth due to economic development. AMPS will acquire approximately 80 additional residential customers from the City of Needles and a 500+ KW load from MEC. AMPS will also provide power to the new Mojave Crossing Events Center (2.0 MW). AMPS is forecasting continued growth over the next 5- 10 years – (75+ new residential customers per year, a significant expansion of the tribal casino, a second casino, a retail shopping area) and additional loads that will result from ongoing discussions that the FMIT is presently having with developers.

Presently the largest customer of AMPS is the tribal Casino however tribal economic development efforts have also focused on diversification. The FMIR is now home to four different residential developments, numerous tribal agencies (police, health, courts, recreation, schools, etc...), concrete plants, gas stations, golf course, grocery stores, movie theaters, restaurants and more... As the new General Manger of AMPS I am very impressed with steps the FMIT have taken for diversification and sovereignty. These diversification efforts should be applauded and supported. As a 22 year veteran of the electric utility industry I can tell you that the future cost of power is critical for the continued success of this Tribal business model.

The Fort Mojave Indian Tribe has a very unique bond with the Parker Davis project which should be considered when WAPA is making its allocations of the post 2008 resource. The members of the FMIT have lived and worked along the banks of the Colorado River between the Parker and Davis facilities for many – many generations. The FMIT's past, present and future success has been and will continue to be very dependant upon this stretch of the Colorado River. One of the facilities, Davis Dam, is located in the shadows of Spirit Mountain – a very sacred place to the FMIT- a place where tribal elders and other member continue to visit for spiritual purposes. The other facility, Parker Dam, is operated in such a manner that its head pond continues to flood FMIR lands - without any flowage rights from the Tribe. In the past, all of the land in this area was utilized by the Mojave's and many spiritual sites can still be seen along the river today however some of these spiritual sites have been flooded by the hydro facilities head

ponds. The Mojave's claimed their entire ancestral homeland however the tribe was granted only a very small portion of their request. No other tribe, except perhaps the CRIT, and certainly no other potential Parker Davis customer can claim such an historical and spiritual bond with the Parker Davis hydro project. AMPS understands that Native American issues such as these are typically beyond the scope of consideration when awarding allocations however AMPS strongly suggests that you and WAPA do not quickly dismiss the uniqueness of this particular Native American Tribe and its relationship with the Colorado River and the land that the Parker/Davis facilities were constructed upon.

AMPS understands that Native American issues such as these have been addressed during previous negotiations with the United States government however AMPS believes that the Power Marketing Initiative section of the WAPA -Energy Planning and Management program does give WAPA some discretion in considering these issues. This section clearly states that WAPA considers tribes to be preference entities and that allocations had not been made to tribes due to the absence of utility status. Again AMPS was not a utility when initial Federal Hydro power allocations were made --- AMPS is a utility now – equitable consideration should be given to allow this start up utility to enjoy the same level of benefits received by the municipalities and co-operatives that were granted generous initial allocations. WAPA must not ignore the fact that Tribal utilities were not in existence at the time of initial allocations.

In the absence of any firm criteria for determining allocation amounts AMPS hopes WAPA considers allocating 80 - 100% of AMPS 2005 load requirements from the Parker/Davis facilities for the following reasons;

1. FMIR's special physical and spiritual linkage to the Parker Davis hydro facilities.
2. Secretary of Energy's directive to consider Tribal interests first for new allocations
3. Some small existing non-tribal customers get close to 100% of their energy needs from Parker/Davis allocations.

4. The recent target for CRSP tribal allocations was 65%. It is AMPS understanding that the FMIR's allocation is the smallest on a percentage basis of any Tribe.
5. AMPS continued load growth will result in less than a 100% allocation in year 2009.
6. Consideration that many existing customers were granted proportional large allocations many years ago when they were relatively smaller and that they enjoyed the financial benefits of the allocation allowing them to direct capital towards infrastructure requirements.

If you have any questions, please contact me at 928-768-2200.

Sincerely;

A handwritten signature in black ink, appearing to read "William L. Cyr". The signature is fluid and cursive, with the first name "William" being the most prominent part.

William L. Cyr
General Manager
Aha Macav Power Service