



# City of Williams

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City Council

Dennis Wells  
City Manager

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January 24, 2005

Mr. J. Tyler Carlson  
Regional Manager – Desert Southwest Region  
Western Area Power Administration  
Post Office Box 6457  
Phoenix, Arizona 85005-6457

Re: Comments on Parker-Davis Project – Post 2008  
Resource Pool Procedures and Supplement to Application

Dear Mr. Carlson:

The City of Williams, Arizona (City), a political subdivision of the State of Arizona, is organized and exists under the laws and the Constitution of the State of Arizona. It believes it is a qualified applicant under Paragraph II of General Eligibility Criteria set forth in the Federal Register concerning the Post 2008 marketing of the Parker-Davis Project resource pool. It owns its municipal retail electric system and contracts with Arizona Public Service for the operation of the system.

Williams has no allocation or contract for Federal power, directly or indirectly. Williams is in a remote rural area of Arizona where the scarcity of water creates an unusually severe economic burden on the citizens of the Williams community. The economic burden is a threat to the health, safety and welfare of the populace because the burden denies funding of other needed health, safety and welfare facilities and infrastructure in Williams. The allocation of two (2) megawatts of Parker-Davis power will be a significant economic assistance to the community and the creation of a viable economic infrastructure for the city.

The City agrees with the General Eligibility Criteria and urges Western not to change its General Eligibility Criteria. Williams should receive two (2) megawatts of P-DP power to help its community provide at a reasonable cost the water and other essential services needed.

Concerning applications from those entities which already have an Arizona Power Authority Hoover power subcontract which makes them beneficiaries of Hoover power and energy, the City urges Western to define such entities and consider them as having a contract with Western or being a member of a parent entity that has a contract with Western. APA Hoover power customer subcontractors have already had specific contract allocations of Federal power. Under no circumstances should they be considered eligible in the first category for a Parker Davis allocation.

Likewise, entities holding a CRSP contract should not be in the first category of consideration for an allocation.

The City generally agrees with the criteria set forth in under Paragraph III – General Allocation Criteria in the Federal Register publication.

Mr. J. Tyler Carlson

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Concerning Paragraph IV General Contract Principles, except for the following, the City believes those are acceptable.

a. Payment in Advance: It should be clearly stated in the Contract that any payment in advance will be payment of the monthly power bills no more than one (1) month in advance, and will not be a blank check for Western to require additional payments.

b. General Power Contract Provisions: If retained, the concept of Section 12 in the proposed Parker-Davis Contract and the GPCP should be worded so that it is clear that before any power is taken from a contractor (or allocation under contract is reduced) that the contractor has sufficient notice, opportunity to comment and participate in a discussion, and has an opportunity to cure any defects and to exhaust any appeals before losing any power resource under contract.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Wells". The signature is written in black ink and is positioned above the printed name and title.

Dennis Wells

City Manager