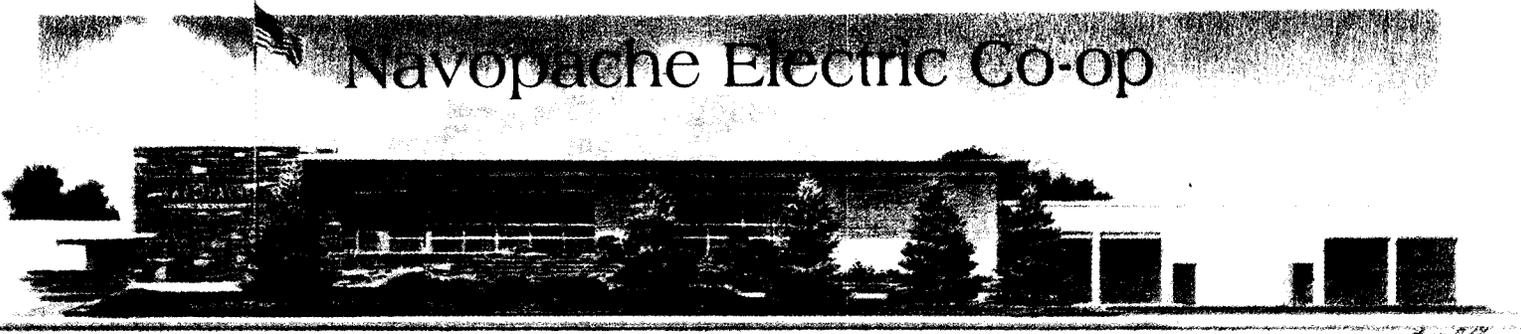


Navopache Electric Co-op



October 31, 2003

Ms. Jean Gray
Western Area Power Administration
District Southwest Area
Post Office Box 6457
Phoenix, Arizona 85005-6457

| DSW REGIONAL OFFICE OFFICIAL FILE COPY | | |
|---|---------|-------|
| Date | Initial | Code |
| | - 4 | 2003 |
| 11/3/03 | WRA | 66000 |
| 11/9/03 | WRA | 66002 |

Re: Parker-Davis 2008 Contracts

Dear Ms. Gray:

Our entity is interested in acquiring a P-DP allocation and contract in the post 2008 period. We have reviewed the contract and note there is a provision for advancement of funds. The provision is somewhat ambiguous. Upon clarification, our entity has no objections to one time advance funding of overhead, maintenance and repair. The subject of whether or not there should be advance funding of capital requirements and how advance funding of capital requirements would be instituted, we are not opposed to a mutually agreeable method of providing those funds with appropriate customer input and safeguards to the integrity of the contract.

Please keep us advised.

Sincerely,

NAVOPACHE ELECTRIC COOPERATIVE,
INC.

By 
Wayne A. Retzlaff, General Manager

1878 W. White Mountain Blvd. • Lakeside, Arizona 85929
Phone: (928) 368-5118 • 1-800-543-6324 • Fax: (928) 368-6038 • www.navopache.org