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Mr. Darrick Moe  
Western Area Power Administration  
Desert Southwest Region  
Post Office Box 6457  
Phoenix, Arizona 85005-6457

Re: Comments of the Arizona Municipal Power Users' Association Concerning  
Western Proposal on Use of Funds

Dear Mr. Moe:

Our Association appreciated the presentation made by you and your staff concerning the Western concept of utilizing funds to assist in capital projects. We have a series of concerns and questions.

1. Can you please distinguish this concept from that of an established "revolving fund"?

2. Concerning the rehabilitation and maintenance of the Parker-Davis system, can you please provide us with a report that indicates the type and frequency of reliability studies and the development of matrix that have to do with a number of outages experienced, the location of the outages, the duration of the outages and any performance matrix that are used to compare the operation of the Western Parker-Davis system with other similar transmission systems?

3. Concerning south of Parker, can you please tell us what steps have been taken over the last eleven (11) years to rehabilitate the system through planned replacements of poles, overhead and other facilities and the amount of funds expended each year on the maintenance of the Parker-Davis system south of Parker?

4. Please describe and itemize for us the number of steel poles that have been annually installed over the last eight (8) years on the Parker-Davis transmission system in order to preserve reliability.

5. What life span analysis studies have been done over the last eight (8) years concerning various segments of the Parker-Davis system, including the following:

- a. South of Parker;
- b. North of Park;
- c. To Phoenix;
- d. To Casa Grande;
- e. To Marana; and
- f. To AEPCO.

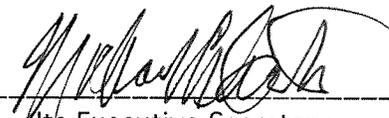
6. How would Western propose to use the \$15 million currently available?

7. The Parker-Davis customers have agreed in contracts with the Bureau and Western on a method and manner of having customers approve capital expenditures requested by Western which, if not approved, require that Western and/or the Bureau make application to Congress for appropriations. Please describe why this type of program would not be suitable in the implementation of the current Western concept on use of funds.

Very truly yours,

ARIZONA MUNICIPAL POWER USERS'  
ASSOCIATION

By

  
Its Executive Secretary

cc: AMPUA Membership