

City of Needles

Utility Services



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November 6, 2002

TELECOPIED AND MAILED
 (Fax no.: 602-352-2490)

Mr. J. Tyler Carlson
 Desert Southwest Regional Manager
 Western Area Power Administration
 615 South 43rd Avenue
 Phoenix, Arizona 85005

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Dear Mr. Carlson:

The City of Needles submits the following comments on the Western Area Power Administration (Western) proposal to extend the contracts of the existing Parker-Davis Project firm power customers. 67 Fed.Reg. 51580, *et seq.* (August 8, 2002).

The City of Needles is heavily dependent on its Parker-Davis power allocation. Without that allocation, our citizens would suffer an enormous rate increase to pay for the expensive replacement power that the City would have to purchase. That would be an unconscionable burden for the citizens of this City to bear.

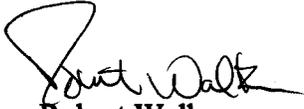
We support a 20-year extension of Parker-Davis firm electric service contracts that your Federal Register notice proposes. Like your other firm electric service contractors, the City has faithfully performed its obligations under your conservation regulations, including submitting annual and five-year Integrated Resource Plans.

We understand that your regulations call for designating a pool of power of "modest" amount as a reserve pool. New contractors will have to reimburse existing contractors for unpaid advances but losing a portion of our resource, even 6%, will materially increase our costs. We would hope you would consider the small size of the resource and consider the possibility that a smaller reserve pool in this instance is justified.

In any event, we urge you to move quickly to complete this process and extend existing contracts. We need that stability in our resource planning in order to attempt to keep costs as low as possible to our citizens.

Thank you for the opportunity to comment on this important proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Walker". The signature is fluid and cursive, with a large initial "R" and "W".

Robert Walker
Utility General Manager

BL:alm

c: **Richard Rowe, City Manager**
Robert Lynch, Attorney-At-Law