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Western Area Power Administration
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Phoenix, AZ 85005-6457
Email: Post2017BCP@wapa.gov

September 19, 2014

Re: Boulder Canyon Project- Post 2017 Resource Pool; Notice of Proposed Allocation

Dear Mr. Moulton:

The Arizona Power Authority (“Authority”) submits the following comments in response to the Western Area Power Administration’s (“Western”) Boulder Canyon Project—Post-2017 Resource Pool Notice of Proposed Allocation, 79 Fed. Reg. 46,432 (August 8, 2014).

The Authority supports Western’s proposed allocation to Arizona entities and finds it to be reasonable, based upon the marketing criteria applicable to the process.

The Authority raises one point applicable to administration of Schedule D power subsequent to the federal Schedule D allocation process. The Hoover Power Allocation Act of 2011 (2011 Act) states in relevant part that “[i]n the case of Arizona and Nevada, Schedule D contingent capacity and firm energy for new allottees other than federally recognized Indian tribes shall be offered through the Arizona Power Authority and the Colorado River Commission of Nevada, respectively.” 43 U.S.C. § 619a(a)(2)(C)(ii). Western’s Notice of Proposed Allocation did not address how Western intended to implement the “through” process as between Western and the Authority and the Colorado River Commission of Nevada.

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The Authority interprets this provision to mean that after Western allocates its relevant portion of Schedule D power, Western would forward a list of the successful non-tribal applicants located in Arizona to the Authority. Then, the Authority would enter into a standard power sales contract utilized by the Authority for its customers for the specific federally-allocated amount of Schedule D power with the successful Arizona applicant. The power sales contract would include the relevant contract terms mandated by the 2011 Act for Schedule D power. This approach would most easily allow Arizona to synchronize its respective allocation process with the federal Schedule D allocation results. This approach would also avoid the risk of inconsistent contract provisions as between Hoover Post-2017 allottees within the State of Arizona.

The Authority looks forward to working with Western to implement the "through" provision. Thank you for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "M. A. Gazda", with a long horizontal flourish extending to the right.

Michael A. Gazda
Acting Executive Director
Arizona Power Authority