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*Via Email: tariffcomments@wapa.gov
rkennedy@wapa.gov*

Mr. Bob Kennedy
Western Area Power Administration
Post Office Box 281213
Lakewood, Colorado 80228-8213

Re: Western's Proposed OATT Tariff Revisions

Dear Mr. Kennedy:

The Arizona Municipal Power Users' Association ("AMPUA") is an association of consumer-owned and operated electrical systems and it consists of cities and towns, rural electric distribution and generation cooperatives, special districts, irrigation and electrical districts, water conservation districts, agricultural improvement districts and Indian utilities. Collectively the members deliver almost one-half the electricity in Arizona to over two million people.

AMPUA has reviewed the Western's proposed OATT tariff revisions. After such review, AMPUA has noticed a particular nuance to Western's proposed revision to its OATT. As AMPUA understands it (and we are not sure we do), Western, in their OATT safe harbor filing for Network Integrated Transmission Service ("NITS"), is adopting a "not FERC required" standard clause in the WAPA FERC pro forma OATT that would require an off-system resource to have a firm transmission path. One question that exists is what if a customer were to enter into a long term contract with say J.P. Morgan for "Firm" deliveries at Mead, would the TP require the customer to show the transmission path on the external system when designating the resource, or on a day ahead, or real time basis? If the transmission path presented in any one of these time frames does not have a complete Firm transmission path, would the customer be required

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to bring the resource in under secondary network transmission? By definition, since customers are buying "Firm" power under several EEI (or WSPP) contracts, customers do not identify the particular resource for the purchase. It is up to the supplier to ensure that the power is made available to the specified delivery point, not the customers. In the event they cannot deliver, they pay liquidated damages.

The change that Western seems to be proposing will effectively prevent customers from receiving network transmission service if they require that a firm transmission path be identified for each resource.

AMPUA cannot understand why this is a problem for network service, but apparently not for Point-to-Point firm transmission service. Clearly, adopting as a standard language in the FERC pro forma OATT which is not required is problematic for AMPUA members and anyone else in Western's transmission system who uses EEI or WSPP contracts to supply their power requirements. As you know, these contracts are not single-sourced, and the power deliveries may come from any number of different generating plants. If customers were required to have a firm transmission path to each potential source of power, which seems to be what Western is expecting under the revised OATT, customers would be paying an exorbitant price for our power supply. It does not appear that Western is obliged to include this requirement in their OATT to be compatible with the requirements for a "safe harbor" filing with FERC, so why punish existing customers who are almost all dependent on Western for their transmission service? AMPUA believes Western could solve this to a large extent by allowing an exclusion for power purchased off-system if such power is used to supply native load.

We appreciate the opportunity to present our questions to Western.

Very truly yours,

ARIZONA MUNICIPAL POWER USERS'
ASSOCIATION

By _____


Its Executive Secretary

cc: AMPUA Membership

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