



# CREDA

## Colorado River Energy Distributors Association

### ARIZONA

Arizona Municipal Power Users Association

Arizona Power Authority

Arizona Power Pooling Association

Irrigation and Electrical Districts Association

Navajo Tribal Utility Authority  
(also New Mexico, Utah)

Salt River Project

### COLORADO

Colorado Springs Utilities

Intermountain Rural Electric Association

Platte River Power Authority

Tri-State Generation & Transmission Association, Inc.  
(also Nebraska, Wyoming, New Mexico)

Yampa Valley Electric Association, Inc.

### NEVADA

Colorado River Commission of Nevada

Silver State Energy Association

### NEW MEXICO

Farmington Electric Utility System

Los Alamos County

City of Truth or Consequences

### UTAH

City of Provo

City of St. George

South Utah Valley Electric Service District

Utah Associated Municipal Power Systems

Utah Municipal Power Agency

### WYOMING

Wyoming Municipal Power Agency

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October 12, 2011

Ms. Cathy Castle  
Mr. Darren Buck  
Western Area Power Administration

Via email only: [Cost\\_Allocation\\_Project@wapa.gov](mailto:Cost_Allocation_Project@wapa.gov)

Dear Ms. Castle and Mr. Buck:

CREDA offers the following initial comments on Western's proposed Cost Allocation Methodology as outlined in the September 29-20 customer meetings. We understand that Western is seeking comments by October 20; however, it would be most helpful if Western could provide responses to questions posed at the customer meetings in advance of any comment deadline so that those responses may be factored into customer comments.

Specifically, it would be helpful to have the data provided on slide 24 of the presentation materials presented historically. In addition, due to the unique nature of the Upper Colorado River Basin Fund, it is important the CRSP customers have a more complete understanding of the processes and potential outcomes associated with trust projects "coming and going" given the "pooling" type nature of the proposed Cost Allocation Methodology. Specifically, in response to a question at the September 29 meeting, the comment was made that "funding would have to come from other sources." What is the practical effect of a trust project "leaving", and a reduction in non-federal revenues? What are the "other sources"? Is our understanding correct that there would no longer be specific geographic "linkages" to individual federal projects and that if there is a shortfall in one region, all other regions would realize or share in that shortfall? Some clarification and additional detail would assist in our understanding.

Regarding the proposal to use nameplate rating as the generation allocator, we understand that it is a challenge to equate labor activities with physical assets in some cases, but would like Western to consider a different value as the generation-related allocator (as opposed to nameplate MVA. We suggest using the long-term maximum project seasonal commitment. For the SLCA/IP, that value would be SHP. It may be that in some of the projects this allocator may result in in the same value as would MVA, but as acknowledged in the customer meetings, the nameplate for Glen Canyon generation does not reflect actual use of the generation asset or Western's marketing thereof. This approach is consistent with the features of the proposed methodology: "fact-based, simple, easy to maintain, can work going forward".

We look forward to additional discussion as Western considers customer comments on this topic.

Sincerely,

*/s/ Leslie James*

Leslie James

Cc: CREDA Board  
Tim Meeks  
LaVerne Kyriss  
Darrick Moe