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September 22, 2011

Mr. Darrick Moe
Desert Southwest Regional Manager
Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457

Dear Darrick,

Thank you very much for your assistance and willingness to work with the Hoover Contractors as we approach the 2017 contractual deadline. The Hoover 2017 Allocation legislation, which the Hoover contractors have developed and submitted to the US Congress, has not yet passed; and I am concerned that it will not pass before December 31, 2011. Previously, Tim Meeks has worked with us in delaying the deadline for Western's implementation of the Power Marketing Initiative (PMI) to December 31, 2011. I am requesting that Tim and you give us an additional year and extend the current deadline for officially implementing the PMI. In other words, I am requesting that you delay implementing the PMI to December 31, 2012 before officially adopting the PMI as Western policy for the Boulder Canyon Project.

I fully realize that you must continue working on the allocation process, and, if the Hoover legislation does not pass, you intend to implement the PMI. However, by extending Western's official deadline, you give us an additional year to work on the legislation. We all understand that during this coming year you will continue to work on your allocation process, which will include effectuating the PMI. However, by Western not officially implementing and adopting the PMI as official policy for the Boulder Canyon Project, you give us additional time to get our legislation passed. This will be very helpful to the Power Authority and enable us to avoid a very difficult course of action, which we do not want to take.

Thank you very much for your consideration of this very important matter.

With best personal regards,

Sincerely,

Joseph W. Mulholland
Executive Director

JWM/sea

cc: Tim Meeks
Doug Harness