



Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

DEC 29 2006

Dear Intertie Project Customers and Other Interested Parties:

On December 21, 2006, the Deputy Secretary of the U.S. Department of Energy approved an extension of the existing Intertie transmission service rates through December 31, 2007. Enclosed is a copy of the Federal Register Notice published in the *Federal Register* dated December 28, 2006 (Volume 71, No. 249, pages 78189-78190) entitled "Pacific Northwest-Pacific Southwest Intertie Project-Rate Order No. WAPA-133."

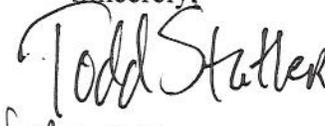
Simultaneously, the Western Area Power Administration (Western) is extending the rate adjustment process that was initiated in July 2006 to modify the Intertie transmission service rates. Western is extending the comment and consultation period to allow sufficient time to evaluate additional alternatives to the proposed rates. In conjunction with extending the comment and consultation period, Western will hold an additional public information forum and public comment forum.

Western will present alternatives to the proposed rates at a public information forum, Thursday, February 8, 2007, 10:00 a.m. MST, at Western's Desert Southwest Region office, 615 South 43rd Avenue, Phoenix, AZ.

A public comment forum for oral and written comments will be held on Tuesday, February 27, 2007, 10:00 a.m. MST, at Western's Desert Southwest Region office, 615 South 43rd Avenue, Phoenix, AZ.

Western will accept written comments any time during the extended consultation and comment period, which will end March 28, 2007.

If you have any questions or need additional information, contact me at 602-605-2442 or by e-mail at jmurray@wapa.gov.

Sincerely,

for Jack Murray
Team Lead Rates