

Robert S. Lynch & Associates
Attorneys at Law

Robert S. Lynch *
Paul M. Li

340 E. Palm Lane
Suite 140
Phoenix, Arizona 85004-4551
Office: (602) 254-5908
Facsimile: (602) 257-9542
Email: rslynch@rslynchaty.com

Government Relations Associates **
Hon. Jim Hartdegen
Hon. Joe Lane

* Admitted to practice in Arizona and
the District of Columbia

** not members of the bar

E-MAILED ONLY

February 12, 2004

Jean Gray
Assistant Regional Manager for Power Marketing
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, Arizona 85005-6457

Re: Comments on proposed Section 12 of the Amendment No. 1 to the
Parker-Davis Firm Electric Service Contract

Dear Jean:

We talked earlier about getting comments in from the customers on this section and the dialogue that has been going on between Western and its Parker-Davis Firm Electric Service Contractors. I am writing to you today on behalf of Electrical District No. 3, one of those FES contractors. I will not attempt to repeat arguments you have already heard and received in written comments from a variety of customers concerning Western's proposed Section 12. Suffice it to say that we support and endorse the comments you have received from AEPCO, SRP and others about the problems that that proposal would create. Your customers need certainty in their Firm Electric Service contracts not only for power planning but for financing.

You have been sent a customer-generated alternative to Section 12 which recognizes that Western may reopen a Parker-Davis Firm Electric Service contract extended under Amendment No. 1 under certain defined circumstances. As you know, many of your FES contractors and their representatives spent a great deal of time going through this proposal before submitting it to you. We believe it is a proper balance between the needs of Western and the needs of the contractors. We understand the sensitivity you have to situations that have occurred in the past and none of us want those to occur again. However, you must understand that we need clear and defined terminology for when a contract might be

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reopened. That will allow each of your Parker-Davis Firm Electric Service contractors to deal with this subject on a businesslike basis and provide the certainty the contractors need for planning and financial arrangements.

Thank you for consideration of these views. We look forward to hearing from you once you have had an opportunity to review these comments and the others that you have received.

Sincerely,
ROBERT S. LYNCH & ASSOCIATES

/s/

Robert S. Lynch

RSL:psr
cc: Grant Ward
Dennis Delaney
Parker-Davis FES Contractors