



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
SAN CARLOS IRRIGATION PROJECT

P.O. Box 250

Coolidge, Arizona 85228

IN REPLY REFER TO:

(520) 723-6200

JAN 23 2004

Ms. 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

DSW REGIONAL OFFICE OFFICIAL FILE COPY		
Date	Initial	Code
JAN 29 2004		
1/30/04	MD	66000
1/30/04	RPT	66002

Re: Comments on Prototype Revision 2 of Amendment No. 1 to the Parker-Davis
Project Firm Electric Service Contracts

Dear Ms. Gray:

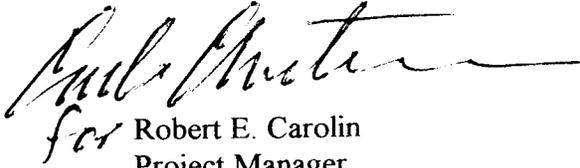
San Carlos Irrigation Project (SCIP) has been in detailed discussions with other existing Parker-Davis Project Contractors and SCIP will support the following Transfer of Interest in Contract language:

In addition to the provisions of Section 37 of the General Power Contract Provisions and notwithstanding any other provision of the contract to the contrary, Western's Administrator reserves the right to reexamine and adjust Western's firm electric service obligations under this contract as the Administrator deems reasonably appropriate, if, where applicable, the Contractor's contractual obligation to supply electricity to a preference entity or preference entities after execution of this contract amendment is materially diminished as a result of a change in the Contractor's status by reason of: (1) the contractor's merger with another organization, (2) its acquisition of or being acquired by another organization, (3) its creating a new organization entity from an existing one, (4) joining or withdrawing from or contractually restructuring its membership in a membership-based power supply organization, or (5) if the Contractor is a membership-based power supply entity (such as a generation and transmission cooperative), terminating its contractual relationship with one or more members from its membership organization resulting in a significant reduction in remaining load measured against the criteria used by the Administrator in approving the Contractor's allocation.

If Western is unable to agree to the above language, which we understand to be supported by the majority of the existing Parker-Davis Project Contractors, SCIP would recommend that Western use

the language that was already agreed to by Western in the contract extension amendment to our CRSP Contract (CRSP version).

Sincerely,


for Robert E. Carolin
Project Manager

cc: Tyler Carlson
Dennis Delaney