

THATCHER

HOME OF EASTERN ARIZONA COLLEGE

TOWN COUNCIL TOWN OF THATCHER

PO BOX 678 - 3700 W. MAIN STREET - (928)428-2290 - FAX (928)428-7061 - TDD (900)367-8938

TOWN COUNCIL

Robert Rivera, Mayor
Douglas Hoopes, Vice Mayor
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William Muleneaux
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Kenneth Larson

Terry Hinton, Town Manager/Clerk

January 15, 2004

Ms. Jean Gray
Assistant Regional Manager for Power Marketing
Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457

Re: Revised Draft Amendment No. 1 to Parker-Davis Project Contract between Western and Town of Thatcher

Dear Jean:

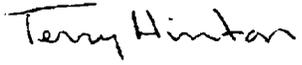
Thatcher has reviewed the revised draft amendment to the Parker-Davis Project Contract and needs to echo the concerns raised by the Colorado River Commission and the Salt River Projects in their letters dated January 7, 2004 and January 12, 2004 respectfully. Thatcher sees no reason for the proposed "Transfer of Interest in Contract" provision and views the language as overreaching and unnecessarily broad.

The language arguably allows Western to "adjust" Western's firm electric service obligations under this contract "....if the Contractor's status as a customer changes in some manner" whatever that means. Thatcher is highly dependent upon its federal hydro power allocations and had assumed the amendment would provide for a 20-year contract extension and is troubled by the new unspecific language that would appear to put part or all of our Parker-Davis Project entitlement at risk.

As an alternative Thatcher would be willing to accept the transfer of interest provision that was included in Amendment No. 5 to our CRSP contract. We understand Western is also considering including a new Transfer of Interest provision in new General Power Contract Provisions (GPCPs). We request Western provide an opportunity for customer involvement and comments in the development of new GPCPs.

Thanks again for the opportunity to comment.

Sincerely,



Terry Hinton
Town Manager

TOWN OF THATCHER

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