

Department of Energy
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

OCT 19 2004

Mr. Stanley H. Ashby
Superintendent
Roosevelt Irrigation District
103 West Baseline Road
Buckeye, AZ 85326-1115

Dear Mr. Ashby:

Yesterday, my staff and I met with you and several other Parker-Davis Project customer representatives. We listened to your concerns about section 12 of the Western Area Power Administration's (Western) proposed Parker-Davis Project Firm Electric Service Contract. You had similar concerns about provision X of Western's draft revisions to the General Power Contract Provisions (GPCPs). You also talked about your issues with the advancement of funds provisions of the Parker-Davis Project marketing plan. At the conclusion of the meeting, I explained, among other things, that:

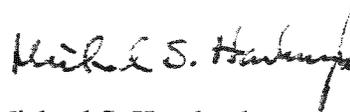
- The sole purpose of section 12 and provision X is to preserve the integrity of Western's marketing plans.
- Western will take comments on section 12 through October 27, 2004, and I encourage you to file comments. I expect we will receive a substantial number of comments. As a result, and as suggested in Western's October 5, 2004, letter to Parker-Davis Project Customers, we will not offer executable Parker-Davis Contract Extension Amendments to customers on October 28, 2004. We will wait to offer the Contract Extension Amendments until I am satisfied that Western has dealt with issues raised during the comment period.
- Western will review the Parker-Davis Project advancement of funds provisions and will make revisions if warranted. I want to be certain that we have clearly communicated those provisions to the Parker-Davis customers.
- The advancement of funds provision in the draft GPCPs has been deleted. The draft revisions to Western's Open Access Transmission Tariff will not contain an advancement of funds provision. Western staff previously had communicated this information to our customers, but I want to repeat it here.
- We will post this letter and our notes of yesterday's meeting on the Desert Southwest Region's Web site at www.wapa.gov/dsw/pwrmkt by Friday, October 22.



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Thank you for participating in the meeting. I know that Tyler Carlson and his staff will continue to work with all Parker-Davis customers to resolve these issues.

Sincerely,



Michael S. Hacskaylo
Administrator

Identical letters to:

James D. Downing, P.E.
Administrator
Electrical District No. 8
P.O. Box 99
Salome, AZ 85348

James D. Downing, P.E.
District Engineer
McMullen Valley Water Conservation
and Drainage District
P.O. Box 70
Salome, AZ 85348

Mr. R. D. Justice
Vice Chairman/Manager
Electrical District No. 7
14629 West Peoria Avenue
Waddell, AZ 85355

Mr. James R. Sweeney
General Manager
Maricopa County Water
Conservation District No. 1
P.O. Box 900
Waddell, AZ 85355-0900

cc:

Donald R. Allen, Esq.
Duncan & Allen
1575 I Street NW.
Washington, D.C. 20005

Jay Moyes, Esq.
Moyes Storey Law Office
1850 North Central Avenue
Suite 1100
Phoenix, AZ 85004

Mr. Kenneth R. Saline
K.R. Saline & Associates, PLC
160 North Pasadena, Suite 1
Mesa, AZ 85201-6764

Ms. Deborah Sliz
Morgan Meguire LLC
1225 I Street NW.
Washington, D.C. 20005-5960