

**YUMA COUNTY WATER USERS ASSOCIATION  
YUMA COUNTY, ARIZONA  
P.O. BOX 5775  
YUMA, ARIZONA 85366-5775**

November 6, 2002

Mr. J. Tyler Carlson, Regional Manager  
Western Area Power Administration  
Desert Southwest Region  
Post Office Box 6457  
Phoenix, Arizona 85005-6457

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Re: Parker-Davis Reallocation - Opposition to applying PMI of Subpart C of EPAMP to Post-2008 Re-marketing P-DP

Dear Mr. Carlson:

The Yuma County Water Users Association ("YCWUA") is a small non-profit water user corporation of the State of Arizona.

It is one of the State's oldest public power providers of electricity.

It does not have an allocation of Parker-Davis Project ("P-DP") Firm Electric Service ("FES"). It hopes to receive one. It has Project Use Power ("PUP"). YCWUA is an Aggregate Power Manager ("APM") for P-DP PUP in the Yuma area and, together with Wellton-Mohawk Irrigation and Drainage District and Mohave Electric Cooperative, Inc., YCWUA is a member of the AES group. P-DP FES power keeps Yuma economically viable, and helps the health and welfare of the rural area communities in Yuma County through the sale of cost-based electricity. The Yuma area needs an undiminished reallocation of FES P-DP power.

YCWUA does not support Western applying the PMI to the Post 2008 re-marketing of P-DP. It recommends Western evaluate the Parker and Davis generation resource in relationship to the requirement of the restructured and evolving power industry. Today's new world power industry has introduced concepts and procedures required and mandated by FERC, WSCC, AND NERC. Implementation of these new concepts and procedures is through RTOs, the California ISO, and other FERC approved organizations. Western, even though it is for now a FERC non-jurisdictional entity, is being indirectly compelled to implement these new concepts, procedures and practices.

Western may need to reduce the total amount of P-DP power to be allocated in the post 2008 re-marketing program. YCWUA agrees with Western's statement in EPAMP

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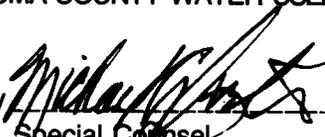
(Page 541620) that “. . . as the appropriate level of Western’s marketable resources should be determined through a project-specific analysis of hydrology, project use load, losses and reserves. Committing resources beyond this level would increase the risk of purchasing firming resources . . .” Additionally, and in light of new and future industry mandates, YCWUA believes Western should evaluate and review the following for possible impacts and risks:

1. Industry required programs of intra-control area and inter-control area tagging from the specific Parker or Davis generation.
2. Whether the present integrated operation with Hoover will continue (and after Hoover is re-marketed in 2017).
3. In the 1975 allocation of Parker and Davis only 215 mw were marketed. Today, 243 mw are marketed as FES and 40.5 mw are contractually provided for the APM contractors. The 283 mw are delivered at the point of delivery, and generation ancillary services and transmission losses are also provided.

Western should reallocate FES P-DP in a fair and equitable manner recognizing that small and intermediate sized entities, military facilities (Yuma Proving Ground and MCAS) and distribution cooperatives cannot afford any diminishment. Western should market for the greatest good of a larger preference utility customer base, but not at the expense of small and intermediate sized entities and distribution cooperatives. If the YCWUA suggestion is adopted, none of the small or intermediate sized current Parker-Davis customers, including the Cooperatives, towns, cities and military facilities, would lose any allocation. And some of the needs of a larger customer group, including YCWUA, could be met.

Very truly yours,

YUMA COUNTY WATER USERS ASSOCIATION

By   
Special Counsel

cc: Donald R. Pope  
Clyde Gould  
Charles Slocum  
Gary Langford