

2498 Airway Avenue  
P.O. Box 3099  
Kingman, AZ 86402-3099



March 3, 2010

Ms. Deborah Emler  
Federal Power Programs Manager  
Western Area Power Administration  
615 S. 43<sup>rd</sup> Ave.  
Phoenix, AZ 85005-6457

RE: Potential Funding Mechanism for Construction

Dear Ms Emler:

Thank you for the opportunity to participate in the DSW Customer Meeting in Phoenix on February 17, 2010. We appreciate the steps Western is taking to increase available funding for transmission construction projects in the DSW region and to improve customer participation in the planning and execution of its operations & construction program.

Except for power produced by peaking turbines in Mohave & Santa Cruz Counties, UniSource purchases substantially all of its power & energy requirements from other utilities. UniSource is one of Western's larger transmission customers and is dependent on Western's Parker- Davis and Intertie transmission systems for delivery of that purchased power to its service area. Consequently we are interested in improving Western's ability to maintain the reliability of its existing transmission system, including transmission voltage substations, and to make necessary replacements and improvements. Your proposal to retain and use surplus funds received from congressional appropriations, transmission customer service payments and customer advances at the end of each fiscal year for transmission construction in the DSW Region rather than send it to the US Treasury appears to us to be an appropriate use of the transmission customers' money. We understand that the estimated amount presently available would be approximately fifteen million dollars (\$15 million) this year and that, absent other changes, similar funds would become available in future years. We support this concept with the understanding that Western will work with the transmission customers to put a mechanism for customer oversight place for use of these funds.

Thank you for the opportunity to comment on this proposal. We look forward to working with you on this and other subjects affecting the DSW transmission system and its customers.

Sincerely,

A handwritten signature in cursive script, appearing to read "Resal A. Craven".

Resal A. Craven, P.E.  
Manager of Engineering, Mohave

cc: Tom McKenna, UNS  
Michael Flores, TEP  
Bill DeJulio, UNSE  
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