

**GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.  
GRAHAM COUNTY UTILITIES, INC.  
P.O. Drawer B  
Pima, Arizona 85543**

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*Serving the Beautiful Gila Valley  
In Southeastern Arizona*

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Mr. Ronald E. Moulton  
Acting Regional Manager  
Desert Southwest Customer Service Region  
Western Area Power Administration  
P.O. Box 6457  
Phoenix, Arizona 85005-6457

RE: Proposed Boulder Canyon Project – Post 2017 Resource Pool

Dear Mr. Moulton:

On behalf of Graham County Electric Cooperative, Inc. (GCEC) I am responding to the Federal Register Notice of August 8, 2014 announcing the proposed Boulder Canyon Project Allocations for power made available under Schedule D of the Hoover Power Allocation Act (“HPAA”). As a representative of one of the eligible recipients designated to receive an allocation of Hoover power post 2017, I appreciate the opportunity to share the comments below.

At the outset, we agree that the allocations proposed by the Western Area Power Administration (“Western”) are consistent with the HPAA and the marketing criteria released on December 30, 2013. As a private corporation, the cooperatives fall within the defined class of beneficiaries set forth in Section 5 of the Boulder Canyon Project Act. The proposed allocations are consistent with this legal predicate. As a consequence, Western should refrain from considering any comments that encourage revisiting the eligibility of cooperatives to receive power under Schedule D of the HPAA. We ask that the class of eligible entities as defined in the marketing criteria remain consistent as Western develops a final allocation proposal.

I am also aware that Western staff revised the data submission for GCEC upon receiving applications from potential recipients located within our service territory. While we understand the rationale behind this approach, we also understand that several of the applicants located within a cooperative service territory were not selected for an allocation. For the sake of developing a fair and equitable calculation that relies on an accurate depiction of peak load, we ask Western personnel to revise our peak load used for calculating our proposed allocation. Specifically, we ask Western to recalculate our proposed allocation by adding back in those loads of unsuccessful applicants that Western subtracted from our peak load calculations. Failure to do so will result in a discriminatory allocation process that denies electric ratepayers’ access to the Hoover resources that they are otherwise eligible to receive.

After Western has added back the loads that were subtracted from the submitted peak load, we ask that Western re-calculate the allocations. This appears to be particularly important in such instances where an applicant within a cooperative's host territory was not eligible under the marketing criteria. In those circumstances Western has decreased the load profile of the cooperative applicant without a justification that can be sustained. We ask Western to correct this error going forward with the allocation process.

As a less preferred alternative, we ask that Western give first priority to the power that a proposed allottee relinquishes due to load substantiation deficiencies, lack of viable transmission access, or other such reasons, and allocate to those entities that should have received a higher allocation if Western had not reduced the peak load submission. This may be a preferred option to Western ensure timely completion of the allocation process. It does not, however, relieve Western of its obligation to allocate the power in uniform, equal, equitable, and non-discriminatory manner. We ask Western to adopt this approach if it cannot immediately revise the allocations to address Western's incorrect adjustments to the submitted peak loads.

Finally, in substantiating the load data it is important that Western rely on proven data sources such as Balancing Authority metered data, metered data from a Generation and Transmission provider, and Transmission Provider metered data. This may be also supported by Form 7, Financial and Operating Report, required by the Rural Utilities Service ("RUS"). Although we understand that these sources of information will be sufficient, we would ask Western to inform us if any data source is inadequate or incomplete prior to October 3, 2014. Furthermore, if any inconsistencies arise after our submissions on October 3, 2014 we would ask for the opportunity to correct any submissions so that the load data that Western will use will be completely accurate.<sup>1</sup>

We thank you for your consideration of our comments.

Sincerely,



Kirk Gray  
Finance Manager  
for Steve Lines  
General Manager

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<sup>1</sup> This may arise once Western recalculates peak load data after adding back in loads that were subtracted from applicants who were not selected for an allocation.