



**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

Jo Ann Emerson
Chief Executive Officer

May 9, 2013

Mark Gabriel, Administrator
Western Area Power Administration
P.O. Box 281213
12155 W. Alameda Parkway
Lakewood, CO 80228-8213

Dear Administrator Gabriel:

We are writing to express our concern with the Western Area Power Administration's ("Western") proposed marketing criteria for allocating power under the Hoover Power Allocation Act of 2011 (HPAA). Although Western published its proposal in the Federal Register on October 30, 2012, we have hesitated to voice our concerns until Western had a permanent Administrator in place.

The National Rural Electric Cooperative Association ("NRECA") represents the interests of over 900 rural electric cooperatives, nearly 300 of which purchase power from Western.

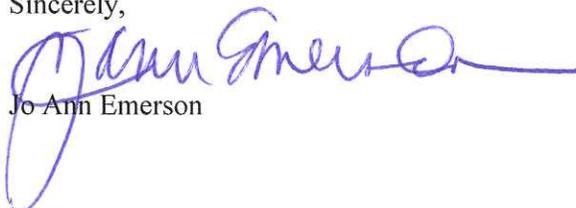
Section 2 of HPAA vested Western with the responsibility to allocate a portion of the Hoover Schedule D resource within Arizona, Nevada, and part of southern California. In report language accompanying the passage of the bill, Congress specifically instructed Western to allocate that portion "in an impartial and unbiased manner."

In the draft guidance on potential marketing criteria for the Hoover D resource released last fall, Western proposed marketing criteria that would elevate certain preference customers ahead of others in the consideration of applications for the Hoover Schedule D power. This suggested approach for considering applications would depart from a long-standing tradition in which all preference-eligible applicants have been afforded equal consideration in the allocation process. This unprecedented approach, if pursued, would run contrary to the report language accompanying the HPAA, and will create a disruption in the allocation process that could unnecessarily divide preference customers.

We urge Western to abandon its proposed discriminatory criteria and to abide by the simple and plain terms of the statutory language while evaluating applications for allocations. We believe the marketing process would be best served by this approach, and ask you to consider our concerns as you finalize the Post-2017 Resource Pool Marketing Criteria.

I welcome the opportunity to discuss this with you as soon as possible.

Sincerely,



Jo Ann Emerson