AGUILA IRRIGATION DISTRICT

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VIA ELECTRONIC MAIL TO:

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July 28, 2010

Mr. Darrick Moe
Desert Southwest Regional Manager
Western Area Power Authority
P.O. Box 6457
Phoenix, AZ 85005-6457

Re: SPPR Proposed ED5 to Palo Verde Transmission Project

Aguila Irrigation District is a member of the Southwest Public Power Resources ("SPPR") Group and supports the proposed ED5 to Palo Verde Project Statement of Interest submitted by the SPPR Group. We have also reviewed the July 19, 2010, letter submitted by ED4 and ED5 and endorse their comments.

Aguila Irrigation District urges Western to approve the proposed ED5 to Palo Verde Project and appreciates Western's willingness to work with the SPPR Group. Use of Western's Transmission Infrastructure Program funding for this project provides a unique opportunity to facilitate renewable development in Pinal County and improve the utilization and marketability of the existing Parker-Davis Project ("PD-P") transmission system. In our opinion, the improved utilization of the PD-P transmission system is critical to maintaining the affordability of the PD-P transmission system and would provide benefits to all PD-P users.

The proposed ED5 to Palo Verde Project would also address a significant issue with the pancaking of transmission rates and losses. For a number of the smaller transmission dependent utilities in Arizona who are existing PD-P transmission customers, transmission pancaking continues to be a significant deterrent to their ability to access economical power supply resources. The region will benefit from solutions that enhance the existing system and mitigate transmission pancaking rather than creating stand-alone transmission projects that do just the opposite.

Sincerely,

Jeffrey J. Woner
Manager, Aguila Irrigation District

cc: Paul Fleming
Stephen Martori
Don Kimball (SPPR)
Dennis Delaney (KRSA)