

From: "Tom Martin" <Tom@ed2.com>
To: <dswfpp@wapa.gov>
Date: 3/4/2010 8:24 AM
Subject: Support for Prepayment Funding

I would like to express Electrical District No. 2's support for the use of prefunding for capital improvement projects related to the Parker-Davis Transmission System. I believe everyone recognizes that the age of the system mandates that it be rebuilt or we will experience outages related to pole or hardware failures. We have already direct experience with failures of older substation equipment that also needs replacement. I don't believe Western's O&M budget and appropriated funds alone will be sufficient to make necessary upgrades to maintain system reliability. Consequently, we support using prepayment funding to augment these other sources of funds. We do, however, expect that there will be direct and meaningful oversight of the use of funds such that the customers providing this financing will be confident that the funds are being put to best uses. We expect that such a collaborative effort to identify the uses of these funds will work well for both Western and its customers.

Regards,

Thomas Martin
General Manager
Electrical District No. 2