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CC: "Lambeck, Jon C" <jlambeck@mwdh2o.com>
Date: 3/9/2010 6:38 PM
Subject: MWD Comments on Western's Potential Funding Mechanism for Construction

March 9, 2010

Mr. Darrick Moe
Desert Southwest Regional Manager
Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457
E-mail: DSWFPP@wapa.gov or emler@wapa.gov

Subject: Prepayments as Potential Funding Mechanism for Construction

Dear Mr. Moe:

The Metropolitan Water District of Southern California (MWD) appreciates the opportunity to provide comments to the Western Area Power Administration (Western) regarding the Potential Funding Mechanisms for Construction. MWD has the same desire as Western, which is to maintain its own reliable transmission system together with other interconnected systems. MWD is interconnected to Western's transmission system at Mead and Gene substations, which, among other things support delivery of contracted federal power.

MWD appreciated the time you and your staff devoted to describing these funding mechanisms, differentiating between cash and revenues, and responding to MWD's questions. MWD supports Western using the available "prepayments" this year to invest in projects that will maintain the reliability of Western's transmission system.

MWD also supports Western's objectives towards a successful funding program to include the following components, as presented on February 17th:

1. Flexibility - use of all available funding options (Appropriations, TIP, Prepayments, Bonds)
2. Customer Participation
3. Cooperative Spirit

MWD looks forward to working with Western and its customers in achieving our common objectives.

Sincerely,

Jon C. Lambeck

Jon C. Lambeck
Manager of Power Resources