



WELLTON-MOHAWK IRRIGATION AND DRAINAGE DISTRICT

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March 10, 2010

Mr. Darrick Moe
Regional Manager
Western Area Power Administration
Desert Southwest Region
615 S. 43rd Ave.
Phoenix, AZ 85005-6457

Re: Use of prepayments in construction funding

Dear Mr. Moe:

Wellton-Mohawk is in support of Western's concept for use of prepayments for construction funding. We appreciate Western's willingness to include customer input in this process. The possibility of modifying the JPA contract has been mentioned as a contractual mechanism to ensure that customers will be a part of the decision process. We would like to see Western's ideas on how this could be accomplished. A new contract process would undoubtedly take us past the window to use the funds available this year.

We believe that the use of prepayments is a good mechanism for accomplishing much needed construction on the Parker-Davis Transmission system. We do understand that the prepayments on both the Parker-Davis and Intertie systems could be used for construction, but we would certainly like assurance that the funds for each system are not comingled and that the funds for each system are used for those systems.

In the February 17, 2010 meeting, Western mentioned a use for these funds in the immediate future could be for the SPPR project. We have no problem with the use of funds for this purpose, but would like to be sure that the South of Parker transmission needs are not placed on the back burner. South of Parker benefits all Parker-Davis customers; some other projects may only benefit a portion of the customers.

We appreciate Western's diligence in working to find solutions to the construction funding problems. This seems to be a great funding source with which to begin addressing the needs of the aging Parker-Davis System as well as new construction needed to keep up with growing demand on the system.

Sincerely,

Elston K. Grubaugh
General Manager