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E-MAILED ONLY
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December 6, 2013

Ms. Lynn C. Jeka
Colorado River Storage Project Manager
Colorado River Storage Project Management Center

Re: Western Area Power Administration Proposal for Formula Rates for Non-Firm Point-to-Point Transmission Service over its Loveland Area, CRSP, Pacific Northwest-Pacific Southwest Intertie, CAP and Parker-Davis Transmission Systems, 78 Fed.Reg. 66695 (November 6, 2013)

Dear Ms. Jeka:

In the agency's Federal Register notice, you state that it is necessary to make changes to the design of and the rates of your non-firm point-to-point transmission service in order to "implement the permanent arrangement", that being the WestConnect Participation Agreement (PA) conditionally accepted by FERC in its Order of June 28, 2013. We are commenting because we believe that it is premature for Western to go forward with this action.

First, it is our understanding that, of the 18 WestConnect participants, only 8 are proposing to participate in the Participation Agreement for this service. That is hardly an overwhelming endorsement of the proposal. What is it that these utilities see in this that has caused them to raise this caution flag? Is this not a matter that Western should also be evaluating at the same time?

What additionally troubles us very greatly is that there is pending litigation in the Court of Appeals for the District of Columbia on the issue of whether FERC must mandate, or indeed has the jurisdiction to mandate, participation in regional transmission planning and mandatory cost allocation regimes as it applies to non-jurisdictional utilities, i.e., us and you. The outcome of that litigation, one way or another, will determine the risk that Western and other non-jurisdictional entities might have in participating with WestConnect and being forced to accept cost assignments for transmission costs and facilities that provide no benefit to the agency or its customers.

As you well know, this mandatory concept arose out of dealings with utility systems in the Eastern Interconnection where tight pools are common and electrical systems are, of need, integrated. FERC has declined to attempt to force non-jurisdictional entities into regional transmission planning and mandatory cost allocation. So far, so good. But that decision is under attack in this Court of Appeals case and the outcome is uncertain.

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We think you owe it to your customers as well as to your own program to stay your hand on this rate design and rate change effort until this controversy is concluded. Its outcome could maintain the status quo or significantly alter the nature of the arrangement. The latter would be a sea change environment into which Western might have already committed itself. We believe that the best approach, indeed the only sensible approach, is for you to stay your hand and wait for the outcome of the litigation.

Western could take the extra time to develop an explanation about how utilizing a single rate schedule across transmission lines authorized and built for different projects at different costs with different financial accounting requirements will end up not causing cross-subsidization among the projects. Western can also explain why it has determined that this constitutes a minor rate adjustment when it admits in the Federal Register notice that it is changing not only the numbers in rate formulas but the rate design itself.

Both of those subjects deserve explanation.

Thank you for the opportunity to comment on this important proposal.

Sincerely

/s/

Robert S. Lynch
Counsel and Assistant Secretary/Treasurer

RSL:psr
cc: IEDA Presidents/Chairmen and Managers