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January 30, 2005

SENT VIA E-MAIL POST2008PDP@WAPA.GOV AND FACSIMILE (602) 352-2490

Mr. J. Tyler Carlson, Regional Manager
 Desert Southwest Region
 Western Area Power Administration
 P.O. Box 6457
 Phoenix, AZ 85005-6457

RE: Utility status criterion of applicants for an allocation of P-DP firm power under the proposed Post-2008 Resource Pool Allocation Procedures

Dear Mr. Carlson:

Please be advised that I represent Hillander "C" Irrigation District (the "District"). The District is a political subdivision of the State of Arizona and is seeking an allocation of firm power from the Parker-Davis Project (P-DP) Post-2008 Resource Pool allocation process.

Irrigation pumping loads within the District are currently served by a combination of natural gas and retail electric service from Arizona Public Service Company. An allocation of firm power from the P-DP Post-2008 Resource Pool would provide an extremely cost competitive resource for meeting the historic electric pumping loads of the District (approximately 1,300 kW prior to the switch to natural gas) as compared to the current high cost of natural gas and APS's retail rates. Also, an allocation of P-DP firm power would enable the District to meet load growth within and adjacent to the District expected as a result of the development of the new U.S. Port of Entry through and adjacent to the District beginning in 2006.

To that end, the District is providing comment on the criterion of Utility Status for eligibility to receive an allocation of firm P-DP power in the Post-2008 Resource Pool process. Arizona Revised Statutes Title 48, Chapter 12 provides for the formation of an Electrical District to meet irrigation pumping electric loads. The District requests, however, that if it receives an allocation of power, it not be required to achieve designation as an Electrical District prior to the October 1, 2005 deadline for Utility Status in the P-DP allocation process. The District believes that there is no need to achieve Utility Status before it knows whether or not it will get an allocation.

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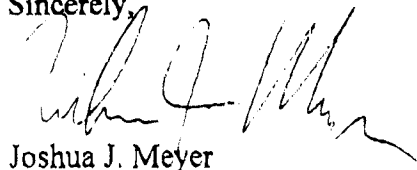
Mr. J. Tyler Carlson

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Designation as an Electrical District, the historic, current and expected additional loads within the District and anticipated delivery arrangements with APS to loads within the District over their current 12.5 kV system all enable the District to meet the Utility Status criterion for an allocation of the P-DP Post 2008 Resource Pool. The District respectfully requests an allocation in an amount to meet its historic electric load as well as a portion of the likely incremental load to occur as a result of the forthcoming development of the new U.S. Port of Entry accessed through and located immediately adjacent to the District.

Sincerely,



Joshua J. Meyer

Encl: Application for Parker-Davis Project Post-2008 Resource Pool

cc: Board of Directors