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January 26, 2005

Mr. J. Tyler Carlson
 Regional Manager – Desert Southwest Region
 Western Area Power Administration
 Post Office Box 6457
 Phoenix, Arizona 85005-6457

Re: Comments on Parker-Davis Project – Post 2008
 Resource Pool Procedures and Supplement to Application
 For Allocation

Dear Mr. Carlson:

The Town of Marana, (Town), Pima County, Arizona is organized under Title 9 of the laws and the Constitution of the State of Arizona. Marana believes it is a qualified applicant which comes under the general eligibility criteria in Paragraph II of General Eligibility Criteria set forth in the Federal Register concerning the Post 2008 marketing of the Parker-Davis Project resource pool. Marana is an end user of electricity and is requesting an allocation of one to two megawatt of Parker Davis to benefit its citizens in lowering the cost of providing water and wastewater. The allocation is also essential to municipal services and the operation of one of the fastest growing towns in Arizona to create an economically viable and healthy infrastructure for the health, welfare, and safety of the community. Marana is making delivery arrangements with Trico Electric Cooperative.

The Town agrees and urges Western not to change its General Eligibility Criteria. The Town urges Western to allow transmission by displacement, pooling, and to permit bill crediting to the end use accounts of the Town to avoid the otherwise cost prohibitive charges for wheeling. The Town particularly intends to have transmission arrangements with Trico.

Those entities which already have specific allocations of Federal power under an Arizona Power Authority (A.P.A.) Hoover subcontract (which makes them beneficiaries of Hoover power and energy) are currently enjoying the direct benefits of Federal Power. These entities should be considered by Western as entities defined as having a sub contract with Western or being a member of a parent entity that has a contract with Western. Hoover power customer sub contractors already have Federal power benefits. The Town does not believe that A.P.A. subcontractors currently enjoying specific allocations of Hoover Federal Power should be allowed under the first category to have another opportunity to benefit from another allocation of Federal Power.

Entities holding a CRSP contract directly should not be in the first category unless there are some unique or special circumstances. The unique and special circumstances are to be provided by the entity in their application.

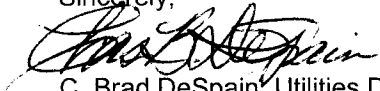
With the exception of the comments made previously, the Town generally agrees with the criteria set forth in under Paragraph III – General Allocation Criteria in the Federal Register publication.

Except for the items listed below, The Town accepts Paragraph IV General Contract Principles:

a. Payment in Advance: It should be clearly stated in the Contract that any payment in advance will be payment of the monthly power bills no more than two (2) months in advance, and will not allow Western to require additional payments.

b. General Power Contract Provisions: The concept of Section 12 in the proposed Parker-Davis Contract and the GPCP should be worded so that it is clear that before any power is taken from a contractor, or an allocation under contract is reduced, that the contractor have sufficient notice, opportunity to comment and participate in a discussion, and have an opportunity to cure any defects and to exhaust any appeals before losing any power resource under contract.

Sincerely,



C. Brad DeSpain, Utilities Director
Town of Marana, Arizona

cc: Mike Reuwsaat, Town Manager
Frank Cassidy, Town Attorney