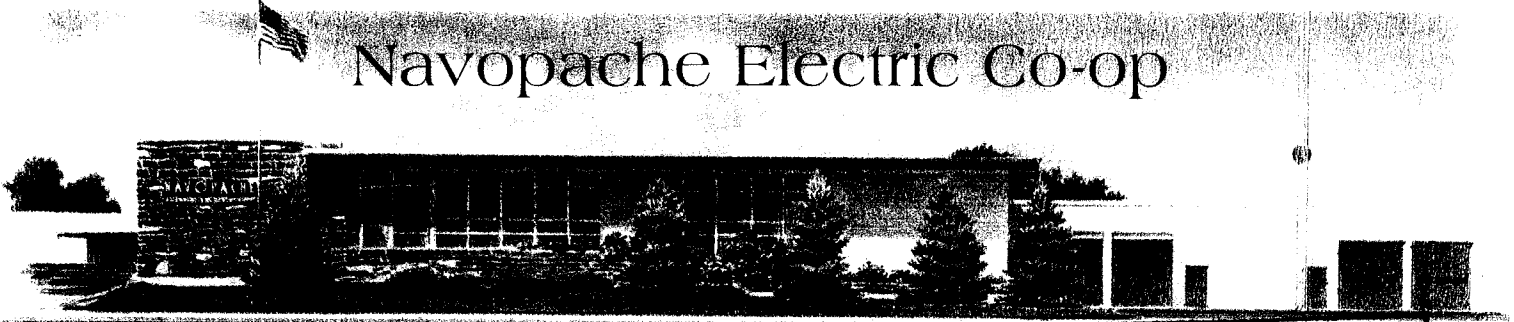


Navopache Electric Co-op



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

DSW REGIONAL OFFICE OFFICIAL FILE COPY		
Date	Initial	Code

Re: Comments on Parker-Davis Project – Post 2008
Resource Pool Procedures and Supplement to Application
For Allocation of One (1) mw.

Dear Mr. Carlson:

Navopache Electric Cooperative, Inc. (Cooperative) is an Arizona not for profit membership public service corporation organized and existing under Title 10 of the Arizona Revised Statutes and the Constitution of the State of Arizona. 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.

The Cooperative is a partial requirement customer of Public Service Company of New Mexico. The Cooperative believes that it is a special case and circumstance. The Cooperative believes that it was denied its prorata share of Colorado River Storage Project (CRSP) when Plains Electric G & T assigned its contracts with Western to Tri-State G & T. While subsequently allocated 7 mw of CRSP, Navopache believes it should have received 5 more megawatts. These are special circumstances and unique considerations that justify consideration of an allocation of Parker Davis to Cooperative.

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

Concerning Paragraph IV General Contract Principles, except for the following, the Cooperative believes those are acceptable.

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 be a blank check for Western to require additional payments.

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

Sincerely,

NAVOPACHE ELECTRIC COOPERATIVE, INC.

By

Wayne A. Retzlaff, General Manager

