

September 16, 2004

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

Re: Proposed Multi-System Transmission Rate (MSTR)

Dear Mr. Carlson:

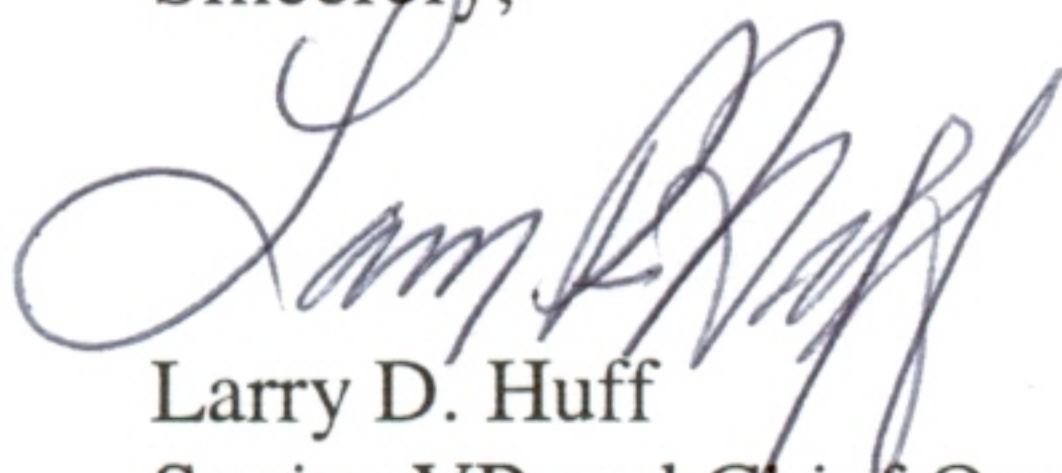
The purpose of this letter is to provide Southwest Transmission Cooperative, Inc.'s (SWTC's) comments on the Western Area Power Administration (Western) proposed MSTR. SWTC has participated in Western's informal customer meetings regarding the MSTR and appreciates the time taken to provide this information.

SWTC currently has pancaked rights on Western's Intertie and Parker-Davis systems. Changing the rights structure by implementing the proposed MSTR appears to lower SWTC's overall Intertie and Parker-Davis transmission costs. SWTC's understanding is that the MSTR implementation will leave all aspects of the existing SWTC contract unchanged with the exception of the rates, which will converge to the MSTR over five years. SWTC sees a significant benefit in the concept of the MSTR implementation freeing up transmission capacity, which could be used by the existing transmission customers to help mitigate potential reservation reductions in the conversion to Open Access Transmission Tariff agreements or sold to reduce overall rates. In addition to these benefits, SWTC supports the improved operational efficiencies for the projects involved.

SWTC supports the concept of the Western proposed five-year convergent MSTR, as it appears to reduce our overall cost, increase available transmission capacity, and improve operational efficiencies.

Please let me know if you have any questions or concerns in regard to these comments.

Sincerely,



Larry D. Huff
Senior VP and Chief Operating Officer

c/D. Kimball
P. Ledger