



November 14, 2003

Mr. Brad Warren
Western Area Power Administration
P.O. Box 11606
Salt Lake City, UT 84147-0606

VIA E-MAIL

Dear Mr. Warren:

The Colorado Association of Municipal Utilities (CAMU) appreciates the opportunity to offer comment on the proposed long-term reduction in marketable SHP energy. We offer the following comments on behalf of our member municipal utilities that receive allocations from the Colorado River Energy Storage.

CAMU supports the approach and methodology outlined in the proposal of the Colorado River Energy Distributors Association (CREDA) for determining and marketing SHP beginning October 1, 2005. Specifically, CAMU places particular emphasis on CREDA's proposal to offer AHP to preference customers with right of first refusal before any of the AHP is offered on the open market.

Additionally, CAMU members believe that all preference customers, including any new customers, must be treated equally. As a result, all customers must experience the same percentage reduction in SHP, regardless of the age of their respective contracts.

Finally, we feel that a cap should be placed on the amount of monies that can be accumulated in the Basin Fund. The amount established for the cap is yet to be determined, but any monies in excess of the cap should be returned to the customers in the way of bill credits.

Thank you for your consideration of these points as you work toward a final resolution to this issue.

Sincerely,

David Lock

David Lock
Executive Director

Cc: Leslie James, CREDA