

IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA

R.D. JUSTICE
PRESIDENT

ELSTON GRUBAUGH
VICE-PRESIDENT

SUITE 140
340 E. PALM LANE
PHOENIX, ARIZONA 85004-4603
(602) 254-5908
Fax (602) 257-9542
E-mail: rslynch@rslynchaty.com

WILLIAM H. STACY
SECRETARY-TREASURER

ROBERT S. LYNCH
COUNSEL AND
ASSISTANT SECRETARY-TREASURER

Via email only:

January 29, 2013

Ms. Deborah K. Emler
Asst. Regional Manager for Power Marketing
Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

RE: Pacific Northwest-Pacific Southwest Intertie Project – Proposed Rate Order No. WAPA-157, 77 Fed. Reg. 34381, et. seq. (Funell, 2012); Rate Order No. WAPA-159 extension, 77 Fed. Reg. 54575, et. seq. (Sept. 8, 2012)

Ms. Emler,

Thank you for your letter of Jan. 10, 2013 further explaining the reason why Western extended the existing rates for Intertie until next September. We appreciate your response.

However, your letter leaves us with more questions. We do not understand how a rate order can extend a current rate for a year when you state that a rate increase of approximately 24% is needed. Is it your intent to issue a new decision on Intertie rates before September? If the further analysis you mention is going forward, will it be confined to the record developed through the end of the extended comment period only? If Western is incorporating other information into its analysis of a proposed rate increase, will the customers be given an opportunity to view and review that information before a decision is made? How will the results from your internal team's work, as mentioned in the letter, be incorporated into this rate process? How will the customers know what is going on before it happens? Will you have another public information forum? A public comment forum?

As you can imagine, we are greatly concerned about the stated magnitude of the proposed rate increase that appears to be in our future at some point in time. Sitting out here in limbo is not necessarily the best way for your customers to be able to do rational economic planning. Some additional guidance as to how this process will continue to unfold would be helpful.

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Thank you again for responding to our request for an extension of time to comment and the additional effort that you are putting into analyzing this significant rate process. We hope to hear from you soon about the questions we have raised here.

Sincerely,

/s/

Robert S. Lynch
Counsel and Assistant Secretary/Treasurer

RSL/Imd

cc: Anita Decker, Acting Administrator, Western
Darrick Moe, Regional Director, Western
John I. Hudson, Chairman, Arizona Power Authority Commission
Steve Brophy, Vice Chairman, APA Commission
Joe Albo, Commissioner, APA
Richard Walden, Commissioner, APA
Dalton Cole, Commissioner, APA
Joe Mulholland, Executive Director, APA
Doug Fant, General Counsel, APA
IEDA President/Chairman and Managers