

TOWN OF WICKENBURG

155 N. Tegner, Ste. A • Wickenburg, Arizona 85390 • (928) 684-5451
Phoenix Line (602) 506-1622 • FAX (602) 506-1580
Voice & TTY (928) 684-5411

January 18, 2005

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

DATE RECEIVED	
OFFICE	
Date	Initial
JAN 19	
<i>[Signature]</i>	
<i>[Signature]</i>	

Re: Comments on Parker-Davis Project – Post 2008
Resource Pool Procedures and Supplement to Application
for One (1) Megawatt of Parker-Davis Power Pool

Dear Mr. Carlson:

The Town of Wickenburg, Arizona, is a political subdivision of the State and organized and existing under the laws and the Constitution of the State of Arizona. Under the General Eligibility Criteria in Paragraph II set forth in the Federal Register concerning the Post 2008 marketing of the Parker-Davis Project resource pool, the Town is a qualified applicant. Wickenburg owns its municipal electric system and contracts with Arizona Public Service to operate the system. Currently the Town is a P-DP Firm Electric Service customer and is a preference entity as defined by section 9(c) of the Reclamation Project Act of 1939, 43 U.S.C. 485h(c), as amended and supplemented.

The Town is experiencing extraordinary growth and as an electric system surrounded by Arizona Public Service, to remain competitive and to afford its citizens continued electric service which is so necessary for the health, safety and welfare of the community it needs another megawatt of cost based P-DP power and energy.

Generally, the Town agrees with the Western criteria for eligibility. However, even though Western is giving first consideration under II(B) to entities who do not have a contract with Western for federal power resources or not a member of a parent entity with such a contract, the Town believes Western should amend its criteria and reserve the right to take into account special circumstances and unique considerations that may justify consideration of an additional allocation to other classes of qualified applicants. Wickenburg believes it has special circumstances and is deserving of unique consideration for an additional one (1) megawatt allocation of P-DP which it describes herein and will set forth in its application.

Mr. J. Tyler Carlson

1/18/05

Page 2

Considering the comments made previously on the draft P-DP contract and the General Power Contract Provisions (GPCP), the Town generally agrees with the criteria set forth in under Paragraph III - General Allocation Criteria in the Federal Register publication.

Concerning Paragraph III(E), the Town believes Western should also take into consideration (as it does in III(F) concerning Tribes) known 2004 data and circumstances and, therefore, the Town supports the amendments to the criteria and broadening the provision of that paragraph that states "...Western will review and adjust, where necessary, inaccurate estimates received during the allocation process..." This should be construed to mean that where an entity demonstrates a 2004 actual need, Western should amend its criteria and be allowed to take special needs into consideration in determining an allocation.

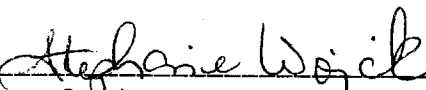
Concerning Paragraph IV General Contract Principles, except for the following, the Town believes those are acceptable.

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 one (1) month in advance, and will not be a blank check for Western to require additional payments. Wickenburg urges any advance funding contract language provide it be mutually negotiated and agreed upon before it is implemented.

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 in the event Western questions use of a resource under contract, 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,

TOWN OF WICKENBURG

By  _____
Stephanie Wojcik, Finance Director