

## **CREDA** Colorado River Energy Distributors Association

March 14, 2008

ARIZONA Arizona Municipal Power Users Association

Arizona Power Authority

Arizona Power Pooling Association

Irrigation and Electrical Districts Association

Navajo Tribal Utility Authority (also New Mexico, Utah)

Salt River Project

**COLORADO** Colorado Springs Utilities

Intermountain Rural Electric Association

Platte River Power Authority

Tri-State Generation & Transmission Association, Inc. (also Nebraska, Wyoming, New Mexico)

Yampa Valley Electric Association, Inc.

## NEVADA

Colorado River Commission of Nevada

Silver State Power Association

NEW MEXICO

Farmington Electric Utility System

Los Alamos County

City of Truth or Consequences

**UTAH** City of Provo

City of St. George

South Utah Valley Electric Service District

Utah Associated Municipal Power Systems

Utah Municipal Power Agency

WYOMING Wyoming Municipal Power Agency

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Mr. Timothy Meeks, Administrator Western Area Power Administration Via email

RE: Western Strategic Planning and Proposed Operational Consolidation

Dear Mr. Meeks:

The Colorado River Energy Distributors Association (CREDA) represents the majority of firm power contractors of the CRSP. We are providing the following comments in compliance with Western's March 16 comment deadline on operational consolidation issues, recognizing that the comments pertain not only to operational consolidation, but also to Western's Strategic Planning Process ("Update March 2008").

Without being provided further information and supporting detail, CREDA must oppose any initiatives that are not directly related to Western's obligation to deliver federal hydropower to its long-term firm power contractors. Funding (including costs of planning, capital, om&r, program direction, repayment), and risk associated with initiatives being considered which are outside this scope and not beneficial or cost-effective to CRSP firm power contractors must be borne directly by the recipient beneficiary(ies). In order for CREDA to be able to work in a constructive, interactive process with Western regarding the Strategic Planning and proposed operational consolidation processes, we request and recommend that as to each of the Strategic Planning elements, the following information be provided:

- a) Relationship to firm power delivery obligation
- b) Beneficiary(ies)
- c) Cost/benefit and rate impact, by project
- d) Funding source(s)
- e) FTE implications, initially and over time
- f) Affected workplan category(ies)
- g) Timetable

Western plays an important role in marketing the clean, renewable federal hydropower resource on a cost basis. We want to work with Western in a partnership, iterative manner to preserve and enhance that mission and to create efficiencies and cost savings for the CRSP. When we have received the above requested information, coupled with responses to our February 18, 2008 questions and comments on operational consolidation, we will be better positioned to provide detailed input to you. As indicated at the February 14, 2008 customer meeting, CREDA and Western have faced several and varied challenges over the years and have successfully collaborated to meet those challenges. We encourage that type of early collaboration as Western proceeds with these processes.

Sincerely,

/s/ Leslie James

Leslie James Executive Director