



NAVAJO TRIBAL UTILITY AUTHORITY

AN ENTERPRISE OF THE NAVAJO NATION

May 2, 2008

VIA E-MAIL AND U.S. POSTAL SERVICE

Bradley S. Warren, Manager  
CRSP Management Center  
Western Area Power Administration  
150 East Social Hall Avenue, Suite 300  
Salt Lake City, Utah 84111-1580

Re: WAPA-137 Rate Proceeding

Dear Mr. Warren:

The Navajo Tribal Utility Authority submits the following comments regarding the pending Firm Power Rate Proceeding under way in your office.

The increased firm rate proposed to be effective October 1, 2008, of 29.43 mills per kWh seems high when considered in light of the fact that the Basin Fund is extremely healthy going into the next season, and, with the likelihood of the extra generation available due to equalization, the Fund can only increase this summer. Also, with the Cost Recovery Concept (CRC) available as a backstop, the Fund will prosper in the coming year.

NTUA commends the Management Center for its willingness to consider a two step increase in the firm power rate, and appreciates the options which were presented at the information forum held on April 10 in Salt Lake City by your staff. These options provide the customers with meaningful considerations and also assure that developments in the coming months may be important to completion of the final rate.

In light of these developments, NTUA strongly favors the option for no increase in October 2008, with an increase in the fall of 2009, but only in such amount as found necessary through a new Power Repayment Study to assure that the Basin Fund remains at an appropriate level satisfactory to all concerned.

Sincerely,

Walter W. Haase, P.E.  
General Manager

WWH/mar

cc: Walter F. Wolf, Jr., NTUA Consultant

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