

Rollison, Eric

From: Robert S. Lynch <RSLynch@rslynchaty.com>
Sent: Monday, August 24, 2015 5:14 PM
To: LPT.RFI.2015
Cc: Lippert, Alice; Sue Kelly; Joy Ditto; Desmarie Waterhouse; Amy Thomas; Allen Mosher; Nathan Mitchell P. E.; Ryan Serote; Leslie James; Bill Drummond; Anita J. Decker; Scott Corwin; George M. Caan; Daniel T. Payton; David A. Fitzgerald; David P. Slick; Bob Johnson; Jayne Harkins; Robert S. Lynch
Subject: National Power Transformer Reserve, 80 Fed. Reg. 39422-3 (July 9, 2015)

Ladies and Gentlemen:

We are writing on behalf of the Irrigation & Electrical Districts' Association of Arizona (IEDA), whose twenty-five Members and Associate Members, all customers of the Western Area Power Administration (Western), serve electricity and water to domestic, industrial and agricultural customers comprising over half the population and two thirds of the irrigated farm land in Arizona.

We will confine our comments one of the three questions in the third of your eleven subjects in your Request For Information.

3. Ownership and Economics

How would a transformer reserve be funded?

Answer:

We believe that this national program should be funded nationally, both as to acquisition costs and ongoing overhead.

Most pointedly, we do not support the housing of this program in Western or any other Power Marketing Administration (PMA). Western and the other PMA's are experiencing significant cost escalations due to increased regulation and policy mandates.

Adding this program will inescapably lead to further requests for increased personnel, some of whose costs will "leak" into power rates.

The hydropower the PMA's sell is supposed to provide a benchmark for electricity costs by being provided "at the lowest possible cost consistent with sound business principles". Adding a giant program like this will markedly interfere with that mission.

Thank you for providing us the opportunity to comment on the Department's policy development on this important subject.

Robert S. Lynch
Counsel & Assistant Secretary/Treasurer
IEDA

Sent from my iPhone