



CREDA
Colorado River Energy Distributors Association

SJ-17
Navajo Settlement

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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September 19, 2006

VIA EMAIL ONLY

Mr. John Leeper
Johnleeper@Navajo.org

RE: San Juan River Basin in New Mexico Water Projects and Settlement Act

Dear Mr. Leeper:

We have reviewed the most recent version of the above-referenced proposed legislation, which is Appendix 3 to the Navajo Nation Water Rights Settlement Agreement, as posted on the State of New Mexico Engineer's website. Following consultation with the Western Area Power Administration and the Bureau of Reclamation, CREDA offers the following suggested revisions to the legislation regarding clarifying the possible allocation of Colorado River Storage Project (CRSP) power to the Navajo-Gallup Project.

1. Title 1, Sec. 103(b) Delete existing language in (b) and rewrite as "RESERVED POWER – The Congress hereby authorizes the Bureau of Reclamation to reserve up to approximately 22 megawatts of power from the Colorado River Storage Project for use by the Navajo-Gallup Water Supply Project constructed pursuant to this section. The power will be made available from the existing reservation of power which has been reserved for the purposes of serving Bureau of Reclamation projects."
2. Title 1, Sec. 103(c) Revise by inserting in (c) "in general accordance with" after "Navajo-Gallup Water Supply Project..." and deleting "...as described in..."
3. Sec. 103(c)(5) Revise subsection (c)(5) by inserting the words "power substation, transmission lines, and" after the words "...public water supply systems,...".
4. Title 1, Sec. 103(g) Revise subsection (g) as follows: "(g) COLORADO RIVER STORAGE PROJECT POWER – The Navajo-Gallup Water Supply Project facilities constructed pursuant to this section are authorized to use power produced by the Colorado River Storage Project. The power will be made available in quantities up to approximately 22 megawatts with associated energy, at rates and delivery points established under the Salt Lake City Area Integrated Projects marketing plan administered by the Western Area Power Administration. The transfer of ownership to the Navajo Nation of the Navajo-Gallup Water Supply Project facilities authorized by subsection (f) of this section shall not affect the availability to the Project of Colorado River Storage Project power."
5. Title II, section 202(b) Revise to add a new subsection (b)(4) as follows: "(4) The Navajo Indian Irrigation Project purposes authorized by Title II is not an authorization to make available Colorado River Storage Project power to the Navajo Indian Irrigation Project for purposes other than irrigation."

We believe the suggested language accomplishes the intent of the legislation, as we understand it, as well as further clarifying the power supply issues. We appreciate your consideration and I am available to discuss at your earliest convenience.

Sincerely,

/s/ Leslie James

Leslie James
 Executive Director

Cc: Rick Gold, USBR
 Brad Warren, WAPA