

>>> "Joe Mulholland" <joe@powerauthority.org> 04/27/07 02:21PM >>>
Attached are the comment of the Arizona Power Authority on the Shortage and
Operations Guidelines for the Lower Basin of the Colorado River.

Joe Mulholland

April 30, 2007

Bureau of Reclamation
Attention: BCOO-1000
P.O. Box 61470
Boulder City, NV 89006-1470

VIA EMAIL: strategies@lc.usbr.gov

The Arizona Power Authority (“Authority”) is a body, corporate and politic, of the State of Arizona established by Arizona Revised Statutes (A.R.S. 30-101 et seq.) on May 27, 1944, for the purpose, among others, of receiving the State of Arizona’s share of hydroelectric power generated at Hoover Dam and Powerplant. The Authority appreciates this opportunity to provide comments on the Bureau of Reclamation’s (Reclamation) draft environmental impact statement on the *Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead* (DEIS) (72FedReg. 9026-9028, February 28, 2007). In the event there is an extension of the comment period, or amendments to the DEIS, the Authority may supplement these comments at an appropriate later date.

Hoover power is the Authority’s only source of power, therefore, it has vital interest in the disposition of the waters of the Colorado River, especially the flow of the river south of Lee’s Ferry into the Lower Colorado River Basin. The Boulder Canyon Project Act of 1928 (43 U.S.C. 617 et Seq.) and all related laws amendatory or supplemental thereto, provide very specific instructions from the United States Congress to the Secretary of the Interior and onto the Bureau of Reclamation with respect to the operation of Hoover Dam, the management of the Colorado River into Lake Mead and the disposition of the Colorado River through and below Hoover Dam and its powerplant and the hydroelectric power produced therefrom.

The proposal for Reclamation or the Secretary of the Interior to assess an additional “surcharge” to the cost of hydroelectric power produced at Glen Canyon Dam and Hoover Dam powerplants is beyond the authority of either the Secretary or the Commissioner of Reclamation. The assessment of the Lower Colorado River Basin Development Fund (LCRBDF) charge was

specifically authorized by the Congress in the passage of the 1984 Hoover Power Plant Act.

Furthermore, the Secretary of Energy does not even have the authority to assess such a surcharge proposed in the DEIS as this falls outside DOE's legislative authority to set power rates for "cost of service" for generation and transmission of federal hydropower.

The proposed surcharge is not associated with the “cost of service” of generating federal hydropower at the afore mentioned dams and powerplants anymore than the LCRBDF charge is associated with the “cost of service” of Hoover, Davis or Parker Dams and their respective powerplants. Hence, the need for specific authorization in the 1984 Act.

The Authority supports the consensus process being undertaken by the Basin States in the development of the Basin States(BS) alternative. Further, the Authority also supports the comments and filed by the Colorado River Energy Distributors Association (CREDA) as filed on April 25, 2007 via EMAIL.

Thank you for the opportunity to comment on this DEIS.

Sincerely,

/s/ Joseph W. Mulholland

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