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**Sent:** Monday, November 10, 2014 5:49 PM  
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**Subject:** Proposed Resolution 14-7 Policy Direction

Dear Mike:

Attached is a redlined markup of some revisions I would like to suggest for the Commission's proposed Resolution 14-7, which I assume will be considered for Commission action on November 18. The attachment includes only the portions of the draft resolution to which I suggest revisions, viz., Recital C, and Resolution paragraph 2.

I believe it is important that written pronouncements of Commission policy regarding the reallocation preserve the principle that the Commission is "considering" *all* relevant factors even if it does not prepare a separate allocation methodology proposal based solely on a given specific data set.

Thanks for consideration of this responsive comment to the draft Resolution.

Best regards, Jay

On behalf of Aguila Irrigation District, City of Safford, Electrical District Number Eight, Harquahala Valley Power District, McMullen Valley Water Conservation & Drainage District, and Tonopah Irrigation District

**Jay I. Moyes**

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RESOLUTION 14-7

POLICY DIRECTION TO CONSULTANTS REGARDING THE PRELIMINARY PROCESS  
FOR THE ALLOCATION OF POST-2017 HOOVER POWER

WHEREAS, the Arizona Power Authority Commission finds that:

....

C. The Commission wishes to ~~resolve certain~~ provide “policy ~~guidance issues,~~” regarding ~~thereby delineating~~ the ~~universe of~~ possible allocation methodologies being considered by the Consultants and interested parties during the Preliminary Process.

....

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

1. The Commission has considered the written and oral comments from interested members of the public on the two policy issues identified above, and provides the following preliminary policy directions to the Consultants.
2. Titles 30 and 45 of the Arizona Revised Statutes, which govern the disposition of Hoover Power by the Authority, inherently provide special consideration for agriculture. Particularly, Title 30 contains a “preference” for districts, which by definition, generally includes public entities that provide water and power to agricultural users in the State. Additionally, several rules in Article 2 of the Arizona Administrative Code applicable to the allocation process require the Commission to consider the types or classifications of use to be made of the power. In their application, these statutes and rules provide ample bases for the Commission to appropriately consider agricultural use as one of many relevant factors in making allocation decisions, without requiring the Consultants to prepare a specific proposed methodology based solely on agricultural use. sufficiently encourage and support irrigation and agricultural uses, and as a consequence, an allocation methodology that provides additional special consideration to agricultural uses is not necessary. Accordingly, the Commission directs its Consultants, as they proceed with their work, to not ~~consider prepare~~ an allocation methodology that ~~provides special consideration would allocate based solely on the comparative agricultural and non-agricultural loads of applicants to agricultural uses~~ in the Post-2017 Hoover Power Allocation Process.