

JOHN KAI, JR.

RED ROCK IRRIGATION DISTRICT

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January 28, 2015

Mr. Michael A. Gazda
Arizona Power Authority
1810 W. Adams Street
Phoenix, AZ 85007-2679

Dear Mr. Gazda:

I would like to submit the following comments on three items.

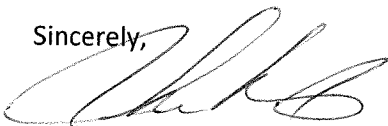
1. Regarding the timeline for formal process.
2. Formation of new districts.
3. Position of the State Land Commissioner

Regarding the timeline situation "The Arizona Power Authority should consider leaving time in the proposed timeline for challenges to policy decisions adopted by the Authority as part of the Hoover Post-2017 allocation process, or in any of the ancillary proceedings , such as transmission and the dynamic signal.

With the formation of new districts "The Arizona Power Authority should consider the issue of how to handle applications from new districts/entities in the 1985 Hoover Allocation process. The Authority in 1985 adopted the position that a new district/entity may participate in the allocation process, and merely needed to be able to contract with the Authority when a power sales contract was eventually offered, post-allocation, to that district/entity. The Authority should maintain that approach in its Post-2017 allocation proceeding.

Currently the position for State Land Commissioner is vacant. The previous commissioner resigned at the end of the year and our new Governor, Doug Ducey has not yet appointed a new one. The final decision on my petition for a new district must have the State Land Commissioner's approval.

Sincerely,



John Kai, Jr.